

## COMMISSIONER OF EDUCATION

The Chief Clerk read the nomination of George F. Zook, of Ohio, to be Commissioner of Education, Department of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## THE ARMY

The Chief Clerk proceeded to read sundry nominations for promotions in the Regular Army.

Mr. ROBINSON of Arkansas. I ask unanimous consent that nominations for promotions in the Regular Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

## OFFICERS' RESERVE CORPS

The Chief Clerk read the nomination of James Sumner Jones to be brigadier general, Adjutant General's Department Reserve.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 6 o'clock and 17 minutes p.m.) the Senate took a recess until Monday, June 5, 1933, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate June 3 (legislative day of May 29), 1933*

## UNITED STATES CIRCUIT JUDGE

Louis FitzHenry, of Illinois, to be United States circuit judge, seventh circuit, to succeed George T. Page, retired.

## ASSISTANT ATTORNEYS GENERAL

Harold M. Stephens, of Utah, to be Assistant Attorney General to fill an existing vacancy.

Frank J. Wideman, of Florida, to be Assistant Attorney General to fill an existing vacancy.

William Stanley, of Maryland, to be assistant to the Attorney General, vice John Lord O'Brian, resigned.

## UNITED STATES ATTORNEYS

Jim C. Smith, of Alabama, to be United States attorney, northern district of Alabama, to succeed John B. Isbell, whose resignation is effective June 30, 1933.

Clyde O. Eastus, of Texas, to be United States attorney, northern district of Texas, to succeed C. W. Johnson, Jr., resigned.

Carl L. Sackett, of Wyoming, to be United States attorney, district of Wyoming, to succeed A. D. Walton, resigned.

## MEMBERS OF THE FEDERAL RESERVE BOARD

J. J. Thomas, of Nebraska, to be a member of the Federal Reserve Board for a term of 10 years from January 25, 1933, vice Wayland W. Magee.

M. S. Szymczak, of Illinois, to be a member of the Federal Reserve Board for a term of 10 years from April 19, 1933, vice Roy A. Young, resigned.

## INTERSTATE COMMERCE COMMISSIONER

Carroll Miller, of Pennsylvania, to be an interstate commerce commissioner for a term expiring December 31, 1939, vice Ernest I. Lewis.

## MEMBERS OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY

Harcourt Alexander Morgan, of Tennessee, for the term expiring 6 years after May 18, 1933.

David E. Lilienthal, of Wisconsin, for the term expiring 3 years after May 18, 1933.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate June 3 (legislative day of May 29), 1933*

## ASSISTANT SECRETARY OF THE TREASURY

Thomas Hewes to be Assistant Secretary of the Treasury.

## COMMISSIONER OF EDUCATION

George F. Zook to be Commissioner of Education.

## PROMOTIONS IN THE REGULAR ARMY

Meredith Donald Masters to be first lieutenant, Field Artillery.

## MEDICAL CORPS

*To be lieutenant colonels*

George Fairless Lull	Edward Thomas Breinig
Charles Clark Hillman	Weidner
Sidney Lovett Chappell	Raymond Whitcomb Bliss
Harry Louis Dale	Norman Thomas Kirk
George Russell Callender	William Benjamin Borden

*To be captains*

Roland Keith Charles, Jr.	Joseph Julius Hornisher
Edward James Gearin	to be first lieutenant, Medical Administrative Corps.

## REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

James Sumner Jones to be brigadier general, Adjutant General's Department Reserve.

## HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 3, 1933

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Eternal God, our Father, through all the past years we have been abundantly helped and succored by divine care. May we have the deepest gratitude for Thy abounding mercy and goodness, and may these lead us to repentance and not selfishness. As we lift our thoughts, our yearnings, and our petitions to Thee, open Thy heart, O Father, and let Thy blessing flow as from the rock with the cleansing streams. As we have been taught that Thou art the ruler of heaven and earth, O give us conscious power, wisdom, and goodness, and make us all wiser than our own understanding. We would submit ourselves to Thy guidance. We rejoice in the coming of that glory in which shall be revealed the unrealized and the unseen; then our souls shall break forth into resounding joy, thanksgiving, and praise. We thank Thee. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5389. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

The message also announced that the Senate had agreed to the amendments of the House to the bill (S. 510) entitled

"An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes."

FITZSIMONS ARMY HOSPITAL, DENVER, COLO.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a letter addressed to the Director of the Budget.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter to the Director of the Budget and Memoranda showing why the hospital should not be abolished:

ROOM 404, HOUSE OFFICE BUILDING,  
Washington, D.C., May 10, 1933.

Hon. LEWIS W. DOUGLAS,

Director of the Budget, Washington, D.C.

DEAR MR. DOUGLAS: Pursuant to our recent conversation, I herewith submit memorandum, with schedules attached, concerning Fitzsimons Army Hospital at Denver, Colo., including a statement of reasons why it should not be abandoned.

Very truly yours,

LAWRENCE LEWIS,

Representative, First (Denver) District of Colorado.

#### MEMORANDUM CONCERNING FITZSIMONS ARMY HOSPITAL AT DENVER, COLO.

As a part of the economy program, the Surgeon General of the United States Army proposes to close Fitzsimons Hospital, to return all Veterans' Administration cases to veterans' hospitals, and to distribute the Army and Navy patients to hospitals in localities less favorable for the treatment of tuberculosis than is that in which Fitzsimons is situated.

I. Economy demands retention of Fitzsimons Hospital (see schedule 1).

II. Conservation of Government's \$4,000,000 investment demands retention of Fitzsimons Hospital (see schedule 2).

III. Perfection of technique and success in treatment of tuberculosis demands retention of Fitzsimons Hospital (see schedule 3).

IV. Recognition by both Army and Navy of superiority in treatment of tuberculosis demands retention of Fitzsimons Hospital (see schedule 4).

V. Eminent medical specialists on tuberculosis urge retention of Fitzsimons Hospital (see schedule 5).

VI. Military preparedness demands retention of Fitzsimons Hospital (see schedule 6).

VII. Considerations of humanity demand retention of Fitzsimons Hospital (see schedule 7).

#### RECOMMENDATION

That Fitzsimons Hospital be continued as an Army hospital to which shall be admitted tuberculosis patients of the Army, Navy, Veterans' Administration, and Public Health Service, each department to contribute to cost of operation. This will afford to all Government patients the advantages of a personnel carefully selected throughout 16 years and a technique in the treatment of tuberculosis of extraordinary success in returning patients to civil usefulness, thus effecting economy in money and property, health, and human lives.

#### SCHEDULE 1. ECONOMY DEMANDS RETENTION OF FITZSIMONS HOSPITAL

The proposal to close Fitzsimons Hospital, to put all Veterans' Administration cases in veterans' hospitals, and to distribute the Army and Navy patients to hospitals in localities less favorable to the treatment of tuberculosis, will not result in a pecuniary saving to the United States Government.

The official figures demonstrate that the treatment of tuberculosis at Fitzsimons costs the Government less than at any other Government hospital, as shown by the following figures of per diem per patient:

At Fitzsimons Hospital (official figures furnished on request by Surgeon General Patterson of the Army).....	\$4.41
At veterans' hospitals (report of Veterans' Administration for 1932, p. 25).....	4.83
For the 6 months ending Dec. 31, 1932, the Army charged Veterans' Administration for its tuberculosis patients at Fitzsimons (official figures furnished on request by Surgeon General Patterson of the Army).....	4.11

The continuance of Fitzsimons Hospital at Denver, Colo., as an Army hospital, is justified by economy as demonstrated by official per diem costs at all Army hospitals as compared to Fitzsimons. (Figures given as of Dec. 31, 1932, furnished on request by Surgeon General Patterson of the Army.)

At Fitzsimons, Denver, \$4.41; Letterman, San Francisco, \$4.44, or 3 cents more; William Beaumont, El Paso, \$4.49, or 8 cents more; Walter Reed, Washington, D.C., \$5.26, or 85 cents more.

The showing of Fitzsimons is especially commendable in view of the fact that it has the largest percentage of tuberculosis cases which are the most expensive to treat, and this is true although the hospital has been operating at only 50 percent capacity. The Veterans' Administration costs for tuberculosis cases is \$4.83 per diem (report of Veterans' Administration, 1932, p. 25).

The annual cost of maintaining the 972 patients recently at Fitzsimons Hospital, on the basis of costs of other hospitals, would be an increase over the cost at Fitzsimons of:

At Letterman Hospital.....	\$10,643.40
At El Paso Hospital.....	28,382.40
At Walter Reed.....	301,563.00
At veterans' hospitals.....	149,007.60

Abandonment of Fitzsimons Hospital would be accompanied by heavy transportation expenses which cannot be accurately estimated. On an assumption of an average cost of \$50 per patient, this transportation charge would amount to \$48,600.

In addition to this, there would be the cost of closing this large institution and moving its very valuable equipment and supplies. Doubtless additional construction would be necessary at other hospitals because of the increased demand that would be made by veterans entitled to hospitalization who will make this request because of deduction in their compensation.

It is estimated that in Colorado alone there are 1,200 active tuberculosis cases that will be entitled to hospitalization, and there are 200 tuberculosis cases in addition not entitled to pension or hospitalization, but who are disabled to a 75-percent degree and will request domiciliary care at a soldiers' home. These cases could be cared for economically and well at Fitzsimons in lieu of incurring construction costs and greater operating costs elsewhere.

#### SCHEDULE 2.—CONSERVATION OF GOVERNMENT'S \$4,000,000 INVESTMENT DEMANDS RETENTION OF FITZSIMONS HOSPITAL

Fitzsimons Hospital, built during the World War, in a suburb of Denver, Colo., is the largest Army hospital in the United States. It has a capacity of 1,832 beds. The site, costing approximately \$150,000, was bought by citizens of Denver and leased to the United States Government for 999 years at \$1 a year.

The large investment of the Government in this institution (estimated at \$4,000,000), as well as the many thousand dollars spent in improvements since the opening of the hospital, including sums spent this last year, are jeopardized by the terms of its 999-year lease, which provides that title reverts to the lessor (Denver Chamber of Commerce, trustee) at the end of 1 year following the abandonment of the site for hospitalization purposes.

Clearly the sacrificing of a \$4,000,000 investment by the Government cannot be termed true economy, nor in keeping with the dictates of prudent financial policy.

#### SCHEDULE 3.—PERFECTION OF TECHNIQUE AND SUCCESS IN TREATMENT OF TUBERCULOSIS DEMANDS RETENTION OF FITZSIMONS HOSPITAL

A unique tuberculosis treatment of extraordinary merit is available at Fitzsimons Hospital. It was developed there by the late Colonel Bruns with special facilities and a trained professional unit skilled in the practice of his methods. The annual report for 1932 of the Surgeon General of the United States Army fully and clearly sets forth the splendid results obtained at Fitzsimons in the treatment of tuberculosis.

In the section devoted to Fitzsimons General Hospital, Col. Carroll D. Buck, M.C., commanding, referring to the technique and results in the treatment of tuberculosis, says at page 276:

"A noteworthy feature in the treatment of pulmonary tuberculosis is the marked reduction in the rate of hemorrhages and other complications. In one group of 1,222 admissions there were only 45 pulmonary hemorrhages. In an entire tuberculosis service, with 1,332 admissions, only 108 cases of pulmonary hemorrhage were reported. The marked reduction in the frequency of this complication was due in a large measure to the uniformity in which artificial pneumothorax and other forms of collapse therapy were applied. In four of the largest tuberculosis units, 46.7 percent of the patients are receiving artificial pneumothorax treatment. The technique of the initial pneumothorax treatment has been standardized and carefully worked out so that there is a marked reduction in accidents which formerly frequently followed this procedure. There has not been a death from pulmonary embolism, and only 11 cases of spontaneous pneumothorax following the introduction of artificial pneumothorax. There has also been a marked reduction in the number of cases developing fluid under treatment. The improvement is due largely to the more judicious and more frequent refills with more careful fluoroscopic check before and after them. Approximately 65 percent of the patients are receiving some form of collapse therapy. The use of this form of treatment has also caused a marked reduction in the number of cases complicated by laryngitis or enterocolitis.

"About 400 cases in the various tuberculosis units were given heliotherapy treatment, the total treatments being approximately 9,900. Patients who were classed as 'activity undetermined' were often given heliotherapy as a test of activity. The other types of cases treated were abdominal tuberculosis lesions, fistulas, bone and joint cases, glandular and genito-urinary tuberculosis. In pulmonary tuberculosis it is limited to the fibrous cases after they have stood the test of graduated exercise. Seven platforms have now been installed in all of the tuberculosis as well as the medical and surgical wards. The alpine lamp treatments were given in some cases which were unable to take heliotherapy for various reasons."

And again at page 277:

"The surgery of pulmonary tuberculosis continues to be a most important feature of the surgical work and constitutes about 25 percent of the operations performed. It is to be repeated that surgery is not definitive treatment in pulmonary tuberculosis. The cases which come to operation have had long-continued treatment on the medical wards and the standard nonoperative treatment



has failed to give satisfactory results. It is the expert in tuberculosis who must decide when surgery is to be resorted to and must advise as to the form which surgical intervention is to take. The success in carrying out most of these procedures depends on close cooperation between the medical and surgical services. The patient must be made to realize that an operation in this condition is not curative. It may be necessary to operate again, and no matter what is done surgically the disease still remains a medical condition, and medical treatment is as much indicated after as before surgical intervention. The surgeon has no miraculous power, and his work here, as in other departments of surgery, is beset with pitfalls, filled with disappointments, and only occasionally crowned with conspicuous success. This success, if any, must be evaluated by the medical service, for the patient returns to it long before any intelligent opinion of the outcome can be formed.

"The same type of surgical procedures were used during this year as in the past. They include phrenic exeresis, pneumolysis, intrapleural pneumolysis (the Jacobaeus operation), extra pleural thoracoplasty, and drainage and unroofing for empyema. In addition, two others have been tried, namely, excision of the scaleneus muscles in conjunction with phrenic exeresis and the unroofing and drainage of tuberculous cavities in the lungs."

**SCHEDULE 4.—RECOGNITION BY BOTH ARMY AND NAVY OF SUPERIORITY IN TREATMENT OF TUBERCULOSIS DEMANDS RETENTION OF FITZSIMONS HOSPITAL**

That Fitzsimons is the hospital of the United States Army best suited for the treatment of tuberculosis cases, and recognized as such by the Surgeon General's Department and by the heads of the other Army hospitals is shown by Annual Report of the Surgeon General, United States Army, 1932, from which the following extracts are taken:

At page 262, the commanding officer of Walter Reed General Hospital at Washington, D.C., says:

"Tuberculosis section \* \* \* Military patients are sent to Fitzsimons General Hospital \* \* \*"

At page 269 the officer in command of Letterman General Hospital at the Presidio, San Francisco, under heading "Tuberculosis section", says:

"This section, with a bed capacity of 38, is utilized for the diagnosis and temporary treatment only. The military patients are transferred to Fitzsimons General Hospital as soon as the diagnosis is made and their physical condition warrants it."

At page 313 the department surgeon in charge of Philippine Department says:

"Tuberculosis: The department surgeon reports that there was a slight increase in the rate for tuberculosis, both in the Philippines and China \* \* \*. American soldier patients are returned to the United States."

(The undersigned has been informed from time to time that tuberculosis patients from the Philippines have been sent to Fitzsimons Hospital.)

At page 321, the report of the surgeon in command of Panama Canal Department says:

"Twenty-four cases of tuberculosis were transferred to Fitzsimons General Hospital, in comparison with 14 for the preceding year."

The superior advantages of Fitzsimons Hospital for the treatment of tuberculosis patients is also recognized by the Navy. In the Annual Report of the Surgeon General, United States Navy, 1932, page 23, under heading "Hospitalization", it is stated:

"This gives a total of 2,221,514 treatment days in naval hospitals for all classes of patients. This total does not include \* \* \* 4,229 treatment days for tuberculosis patients at the naval unit, United States Army Fitzsimons General Hospital, Denver, Colo. \* \* \*"

After referring to the total number of persons of the Navy under treatment, the report proceeds:

"This total does not include 10 tuberculosis patients at the naval unit, Fitzsimons General Hospital (U.S. Army), Denver, Colo. \* \* \*"

In a personal interview on May 1, 1933, the Surgeon General of the Navy stated to the undersigned that he deplored the removal of Navy tuberculosis patients from Fitzsimons Hospital; that they were well cared for at Fitzsimons; that the Navy had no hospital suitable for the treatment of tuberculosis; that to send tuberculosis patients to Norfolk or Mare Island might be fatal to them.

**SCHEDULE 5.—EMINENT MEDICAL SPECIALISTS ON TUBERCULOSIS URGE RETENTION OF FITZSIMONS HOSPITAL**

A group of eminent medical specialists of national and, indeed, international reputation in the treatment of tuberculosis, while in attendance at the Congress of American Physicians and Surgeons in Washington, D.C., prepared and signed the attached statement urging that it be submitted in this connection as expert medical opinion on this subject.

The doctors point out the advantages both to the patients and to the Government of retaining Fitzsimons Hospital as a medical center for the treatment of tuberculosis.

They draw sharp attention to the very serious responsibility of jeopardizing the lives of patients should they be removed from Fitzsimons to other localities.

The letter from these eminent specialists is as follows:

WASHINGTON, D.C., May 9, 1933.

HON. LAWRENCE LEWIS,

House of Representatives, Washington, D.C.

DEAR MR. LEWIS: Fitzsimons General Hospital, located near Denver, is the largest and best of its kind in the United States for

the treatment of tuberculosis. The equipment of the hospital is of the best and it has an unusually able technical personnel. The work of this hospital has been watched by everyone interested in tuberculosis work, especially those interested in heliotherapy and lung surgery.

The location of Fitzsimons is ideal, there being no better all-the-year-round climate in the United States than is to be found on the eastern plateau of the Rockies. The Southwest is a one-season climate, and so recognized by the private sanatoria directors, who advise their patients to go to the hills or mountains during the summer months. Such procedure would not be practical for the tuberculosis patients of the Army and Navy, and it would entail very great expense. We cannot believe that the Surgeon General of the Army would care to assume the responsibility of jeopardizing the lives of the large number of hospitalized patients by moving them to other locations at this time.

It is recognized that in time of war the military medical men find it necessary to issue drastic orders for the removal of patients from various hospitals. The necessities of the situation often override any consideration of the jeopardy of the lives of the patients. We are not now faced with such a situation. Humanitarian considerations should really come first in this instance.

We approve the administration's plan to balance the Budget, and heartily endorse President Roosevelt's policy to bring this about. Yet we do not think he wishes, or intends, to create hardship for the very ill. This plan of closing the hospital cannot be for economic reasons, unless we have been misinformed, for the per diem cost per patient has been much less at Fitzsimons than at any other Government hospital.

The undersigned Colorado physicians, attending the Congress of the American Physicians and Surgeons, now in session in Washington, urge the representatives from Colorado in Congress to make every effort to retain Fitzsimons Hospital for the treatment of Army and Navy patients. Your interest and cooperation will be greatly appreciated by the medical profession of Colorado.

Very truly yours,

C. F. Hegner, M.D., Denver; Leonard Freeman, M.D., Denver; G. Walter Holden, M.D., Denver; Henry Sewall, M.D., Denver; Charles E. Sevier, M.D., Denver; John A. Sevier, M.D., Colorado Springs; James J. Waring, M.D., Denver; Gerald B. Webb, M.D., Colorado Springs; Leonard Freeman, Jr., M.D., Denver.

**SCHEDULE 6.—MILITARY PREPAREDNESS DEMANDS THE RETENTION OF FITZSIMONS HOSPITAL**

Apparently it is the policy of the Veterans' Administration practically to abandon the use of Army hospitals for veteran patients, and to use instead Veterans' Administration hospitals. Not only from the point of view of economy (which is discussed in schedule 1), but also from the point of view of military preparedness, such policy, if carried out, would be disastrous. Clearly a sound governmental policy would dictate the maximum use of long-established Army hospitals. The curtailment or abandonment of Government hospitals to such extent as may be necessary should be limited to those directly under the Veterans' Administration.

The extensive governmental hospitalization of ex-service men is actually a temporary problem and the passing of the need for all of the 84 Veterans' Administration hospitals is but a matter of time. It is certain that within a comparatively brief period, measured by the life of the Nation, numbers of these Veterans' Administration hospitals will either be abandoned or put to other uses. But the Army will continue on; and, in case of war, the existence as "going concerns" of well-organized hospitals with efficient staffs will save many lives such as in our other wars have been sacrificed unnecessarily. It is clear that the closing of any particular Army hospital would detract just so much from military preparedness.

Especially is this true in the case of a hospital designed primarily for the treatment of a particular disease to which men of military age are peculiarly susceptible; a hospital located in a region selected from among all those in the Nation as being unusually well adapted by reason of its altitude and all-year-round climate to the successful treatment of that disease; a hospital where there has been organized as a result of years of selection a personnel trained in the use of special equipment to treat that disease; a hospital where there has been developed a technique in the treatment of that disease which has proved extraordinarily successful in arresting and curing that disease and returning its victims to useful civil vocations. Such a hospital is Fitzsimons for the treatment of tuberculosis.

In a national emergency Denver could supply immediately a civilian staff of skilled doctors, familiar with Fitzsimons technique and methods.

**SCHEDULE 7.—CONSIDERATIONS OF HUMANITY DEMAND RETENTION OF FITZSIMONS HOSPITAL**

The unparalleled advantage afforded by Colorado for the treatment of tuberculosis is so well recognized that it is unnecessary to elaborate on it. The chances of recovery are so much greater there than in any of the other Army, Navy, or veterans' hospitals, outside of Colorado, that the institution should be maintained for the joint use of all branches of the service.

The primary function of a hospital is to cure. If the Government wishes to do everything possible to cure its tuberculosis patients, then this institution should be saved for that purpose. The removal of present patients to other localities less desirable in the treatment of this disease would be to many of them a virtual death warrant. To other patients less seriously afflicted the change



in climate and surroundings would cause marked retardation in their progress toward recovery. World-wide recognition has been given to the advancements made by Fitzsimons Hospital in the treatment of tuberculosis, and it would be a serious loss to have the staff and organization assembled there broken up and scattered as the result of closing the hospital.

There are many additional advantages of location enjoyed by Fitzsimons. Its proximity to seven Army posts, which vary from 1 hour to about 1½ days' travel to Fitzsimons; Denver, a city of 300,000 population, offers many advantages, such as rail connection for North and South, East and West; there is a low-cost basis of living in Denver which is an advantage to the families of veterans residing in the community, as well as to the institution itself, in the purchase of supplies; Denver offers a fine opportunity of employment to families of veterans, thus offering some relief to demands for charity which would otherwise be made; the proximity of Denver with its many cultural advantages, as well as the entertainment furnished, with the approval of the hospital authorities, by a large number of Denver organizations, helps build and maintain the morale of tuberculosis patients at Fitzsimons and is of valuable assistance during the period of recuperation.

LAWRENCE LEWIS,

Representative, First (Denver) District of Colorado.

#### OIL AND THE RECOVERY BILL

Mr. FORD. Mr. Speaker, I ask unanimous consent to place in the RECORD a statement on the oil industry.

The SPEAKER. Is there objection?

There was no objection.

Mr. FORD. Mr. Speaker, I wish to clarify the issue in regard to the proposed Government control of the oil industry of the United States. The President has suggested an amendment to the National Recovery Bill giving him authority to exercise such control. I have entire confidence in the President, and I am entirely in favor of his suggested amendment to the recovery bill. But I know that he cannot possibly himself exercise the power to control the oil industry. He will have to delegate it to some subordinate. Not knowing who may be appointed to exercise this power, I therefore am convinced that the basis of the proposed proration of oil should be fixed by the Congress.

Let me place the facts clearly before you.

The large oil companies are all for proration. They blithely propose two methods, which happen to be identical. They advocate proration on an acreage basis or on a cubical-content basis. Whichever one is selected, they win; for in either case such proration is not on the production of producing wells now in the field, but on that of oil-land holdings, developed or undeveloped.

What the independent oil producers want, and what this Congress should insist upon, is proration by potential production, based on development already made. In plain English, each well in each field will be allowed, under potential proration, to produce in proportion to its established ability to produce. Curtailment will be on a percentage basis. If the percentage should be fixed at, say, 66 percent, then a 1,000-barrel well will be permitted to produce 660 barrels a day, or the monthly equivalent. And this whether it belongs to a poor man or to a great corporation.

This is fair; it is easily adjusted; it puts the owner of a single well on precisely the same basis as the great corporation owning enormous oil fields. One producing well on a 5-acre tract thus is accorded precisely the same treatment as one producing well on a thousand acre tract. Because there is no injustice, no discrimination in favor of the huge corporations and against the small producers, the public is going to approve and applaud.

Proration by potential, as I have explained, protects the small producer and gives justice to all producers. That is emphatically not so with proration by the so-called "acreage basis" or by the identical cubical-content basis. Under either of the latter equally obnoxious methods, the Oil Trust seeking a monopoly of the Nation's oil business, will be given by the United States Government and by the permission of this Congress an unfair advantage over the small, independent oil producers, land owners, and royalty owners.

These great oil corporations, in control of large tracts of land, under the acreage plan of oil proration are able to make their unprofitable lands count on the same basis as their productive lands situated in a favored position on the oil structure. This simply means that lands which are relatively remote from proved oil structures and producing

wells, and which are included in the same land holdings, can be consolidated in a so-called "unit plan" of operation and thus be allowed a prorated share of the oil production, although not actually contributing to that production. I say without fear of successful contradiction that this cry of "waste" and "overproduction" is just plain Oil Trust propaganda. There actually is no overproduction of crude oil in the United States, as the following figures from the United States Bureau of Mines conclusively proves:

	Barrels
The total demand for petroleum in the United States in 1932 was.....	936,770,000
The total domestic production of petroleum in the United States in 1932 was only.....	818,761,000
Excess demand over production.....	118,009,000
Average daily consumption of petroleum in the United States in 1932.....	2,554,000
Average daily production of petroleum in the United States in 1932.....	2,237,000
Excess consumption over production.....	317,000
Average daily consumption of petroleum in the United States in January 1933 (latest available figures)....	2,424,000
Average daily production of petroleum in the United States in January 1933 (latest available figures)....	2,161,000
Daily consumption in excess of production.....	263,000

Overproduction does not exist. It is not the problem of the industry. Monopoly is its problem and the problem of the people.

These great oil corporations have been crying overproduction for years and battling to force the acreage plan of proration on the independents of the oil industry. They say, in effect, "Let us regulate the oil industry on the acreage basis of proration and the little fellows will be forced into the unit plan of operation. In a short time, with the oil production under our control, the independent refiners will not be able to get any oil, and then our monopoly will be complete."

I need hardly tell you, gentlemen, that with such a monopoly in control of the oil industry, and with independent competition eliminated, gasoline prices will reach the sky, and the American consumers will pay and pay dearly.

#### LEAVE TO ADDRESS THE HOUSE

Mr. GRAY. Mr. Speaker, I ask unanimous consent to address the House when it convenes on Monday next on the subject of "The Progress of Farm Relief Legislation", speaking for 20 minutes without interruption. I hope that no one will object.

Mr. SNELL. Mr. Speaker, there has been a general understanding that the Speaker would not recognize anybody to make such a request in advance of the time when the address was to be made.

The SPEAKER. That is the understanding, and the Speaker will have to object himself and suggest that the request be made on Monday.

Mr. GRAY. Mr. Speaker, then I give notice that I shall make that request on Monday morning.

The SPEAKER. To obtain unanimous consent to address the House, it is necessary that the Member make the request upon the day he desires to speak.

#### INTERSTATE RAILROAD TRANSPORTATION

Mr. RAYBURN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 1580) to relieve the existing national emergency in relation to interstate railroad transportation, and to amend sections 5, 15a, and 19a of the Interstate Commerce Act, as amended. Pending that, I ask unanimous consent that when the House has completed its consideration of the bill the enrolling clerk have authority to change numbers of paragraphs and sections of the bill wherever necessary.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.



Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 1580, with Mr. HILL of Alabama in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I—EMERGENCY POWERS

SECTION 1. As used in this title—

(a) The term "Commission" means the Interstate Commerce Commission.

(b) The term "coordinator" means the Federal coordinator of transportation hereinafter provided for.

(c) The term "committee" means any one of the regional coordinating committees hereinafter provided for.

(d) The term "carrier" means any common carrier by railroad subject to the provisions of the Interstate Commerce Act, as amended, including any receiver or trustee thereof.

(e) The term "employee" includes every person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in accordance with the provisions of the Railway Labor Act.

(f) The term "State commission" means the commission, board, or official, by whatever name designated, exercising power to regulate the rates or service of common carrier by railroad under the laws of any State.

Mr. KELLY of Pennsylvania. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KELLY of Pennsylvania: Page 30, line 18, after the word "thereof", add a new paragraph, as follows:

"(e) The term 'subsidiary' means any company which is directly or indirectly controlled by or affiliated with any carrier or carriers. For the purpose of the foregoing definition, a company shall be deemed to be affiliated with a carrier if so affiliated within the meaning of paragraph (8) of section 5 of the Interstate Commerce Act, as amended by this act."

Mr. BLANTON. Mr. Chairman, before the gentleman discusses that, I rise to a point of order for the purpose of getting a decision from the Chair. I reserve the point of order to ask a parliamentary inquiry. The entire Senate bill comes from the House committee as one amendment. The committee has stricken out all of the Senate bill and put in its substitute as one amendment. Should that substitute be read in its entirety as one amendment, or is it to be read by sections?

The CHAIRMAN. The rule under which we are considering the Senate bill provides that the committee substitute shall be considered as an original bill under the 5-minute rule.

Mr. BLANTON. Then it will be read by sections?

The CHAIRMAN. It will be read by sections.

Mr. BLANTON. And we can offer amendments to each section after the reading of each section?

The CHAIRMAN. That is correct. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. RAYBURN. Mr. Speaker, I desire to make a point of order.

The CHAIRMAN. The Chair thinks the gentleman from Texas comes too late.

Mr. BANKHEAD. There has been no debate.

The CHAIRMAN. The gentleman from Texas obtained recognition after the gentleman from Pennsylvania had offered his amendment.

Mr. BLANTON. Mr. Chairman, I reserved the point of order, which preserved the right in favor of the chairman of the committee and of every other Member of the House. Whenever a point of order is reserved, it is for the benefit of all Members, and the remarks I made were made under the reservation of the point of order. When I withdraw my reservation of the point of order, the gentleman from Texas [Mr. RAYBURN] can renew it, when there has been no intervening debate.

The CHAIRMAN. The Chair had disposed of the point of order made by the gentleman from Texas [Mr. BLANTON], and the Chair then recognized the gentleman from Pennsylvania [Mr. KELLY].

Mr. BLANTON. But there had been no intervening debate. And when I withdrew my reservation, any other Member could renew it.

Mr. MAPES. Mr. Chairman, I rise to make a further point of order. I do not know what point of order the gentleman from Texas [Mr. RAYBURN] has in mind, but I submit there cannot be more than one point of order pending at the same time. The gentleman from Texas [Mr. BLANTON] raised a point of order, which the Chair decided, and immediately thereafter the gentleman from Texas [Mr. RAYBURN], the chairman of the committee, made the point of order against the proposed amendment of the gentleman from Pennsylvania before the gentleman from Pennsylvania proceeded to debate.

It seems to me the gentleman from Texas [Mr. RAYBURN] was trying to raise the point of order within the proper time.

Mr. RAYBURN. I certainly made the point of order as soon as I could.

The CHAIRMAN. The Chair feels that the gentleman from Pennsylvania had been recognized and had started to debate the amendment before the gentleman from Texas [Mr. RAYBURN] made his point of order.

Mr. RAYBURN. I beg leave to disagree with the Chair. The gentleman had not started to debate the amendment.

Mr. BLANTON. There must be debate ensue, and there had been no debate on the amendment. While the Chair had recognized the gentleman from Pennsylvania, there had been no debate.

The CHAIRMAN. The Chair is advised that, according to the Official Reporter's notes, the gentleman from Pennsylvania [Mr. KELLY] had not proceeded with any discussion and had not said anything. Therefore the Chair will entertain the point of order made by the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I make the point of order that this bill, title I, refers to railroads, and railroads only; and a subsidiary of a railroad may mean many, many things. It may be a hotel; it may be a shoe factory; it may be a health resort; it may be a bus line, or a truck line, or an amusement park, or what not. This bill is written around the proposition that it applies only to railroads and not to subsidiaries; and the committee, by motion, struck that section out of the bill as it was passed by the Senate.

Mr. KELLY of Pennsylvania. Of course, the Chair knows that this amendment, as I have offered it, is identical with the provision carried in the Senate bill, which was sent to the House Committee on Interstate and Foreign Commerce. It is a definition only, a definition which seems to me to be essential to this bill for the protection of railroad investment and railroad labor. I cannot see how a point of order against the definition of the word "subsidiary" could be upheld. I submit the matter to the Chair.

The CHAIRMAN (Mr. HILL of Alabama). The Chair is ready to rule. The pending section deals with definitions. The amendment offered by the gentleman from Pennsylvania [Mr. KELLY] is merely a definition. If there is no provision in the bill with reference to subsidiaries, of course the amendment offered by the gentleman from Pennsylvania would be meaningless. The section merely deals with definitions. This is the proper place for definitions. The Chair therefore overrules the point of order.

Mr. HUDDLESTON. Mr. Chairman, may we again have the amendment reported?

There being no objection, the Clerk again reported the amendment offered by Mr. KELLY of Pennsylvania.

Mr. KELLY of Pennsylvania. Mr. Chairman, the purpose of this amendment is to clarify certain provisions of the bill and make them effective. The word "subsidiary", which was used in the measure as sent to the House committee, was defined under the Senate bill. It should be defined in this bill. I agree with the Chairman of the Committee on Interstate and Foreign Commerce, that this amendment will refer to bus and motor companies, to express companies, and to other transportation companies of that kind which should be covered in this bill if the purposes of the measure are to be carried out.

For instance, Congress about 2 years ago passed a bill reported by the Committee on Post Offices and Post Roads in this House, providing that where train service was discontinued the railroad company should be given the contract for carrying the mail by motor bus without any competition, without any taking of bids, and at the rate which was paid for the mail transportation on the trains. That was a distinct advantage. Now if we omit these bus companies in this bill, it will be possible for the railroad companies to deal with employees of those bus and motor companies in a way which will be a hardship to them and in part nullify the protective provisions of this bill. We are endeavoring to protect workers in the railroad service. It seems to me to be but just that we protect those who will be assigned to the motor and bus companies when they are transferred from the regular railroad service.

There are also express companies to be considered. These companies are subsidiaries of the railroad companies. They have a force of men in the terminals and elsewhere handling express matter and another force of men handling baggage and other material from the trains. It will be possible to transfer men from the railroad service into the express service and then use any method that may be desired to economize at the expense of the workers employed in the express company. That is unfair. If we are to do anything effective toward giving protection to the workers in the transportation industry, we certainly should make sure there is no loophole left where hardships can be inflicted upon those in the express, motor bus, and other subsidiary companies.

Mr. MEAD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes; I yield.

Mr. MEAD. Some Members are unduly alarmed because they feel this might apply to hotels, coal mines, and so forth. While I do not believe it is necessary so far as the change I suggest is concerned, would the gentleman agree to a change in his amendment, adding the word "transportation" before the word "subsidiary", so that it would read "transportation subsidiary"?

Mr. KELLY of Pennsylvania. Of course, that is the purpose of my amendment. If it needs clarification, I would accept the gentleman's suggestion. It is the purpose to deal solely with transportation agencies. The Pullman Co. is another in addition to those I have named. That is a separate organization, with many employees engaged in transportation, and yet it does not come directly under the provisions of this bill, unless "subsidiaries" are covered. From every standpoint it seems to me we should make sure that these definitions are comprehensive enough to cover the word "subsidiary" and make it apply to those companies, in order to make this bill serve the purpose of regulating and developing transportation on a fair and square basis.

Mr. SNELL. Will the gentleman yield for a question?

Mr. KELLY of Pennsylvania. I yield.

Mr. SNELL. It has come to my mind that at the present time we have no legislation in any way governing transportation as to motor busses and trucks in any way connected with interstate commerce.

Mr. KELLY of Pennsylvania. That is true, but we can reach them through this bill by including these subsidiary companies.

Mr. SNELL. How are you going to reach them when there is no law on the statute books controlling them? I was in favor of a bill we had several years ago to control them, and I think they should be controlled; but it seems to me the gentleman is attempting to go at it in the wrong way to try to reach them through this bill, when there is no legislation on the statute books in any way controlling their operation.

Mr. KELLY of Pennsylvania. I may say to the gentleman from New York that under this bill we can establish the control he favors. When we are putting restrictions on the dismissal of transportation workers on the railroads, we can make them effective by defining as subsidiaries these bus and motor lines, express companies, and others.

Mr. SNELL. Does not the gentleman think he is putting restrictions on a corporation that has none of the advantages of Federal legislation and regulation?

Mr. KELLY of Pennsylvania. I have just given one instance where we have given railroad companies valuable motor-bus contracts, without any competition whatever, because they were carrying mail under a railway mail contract. That is a very great advantage, which they very greatly desired.

Mr. SNELL. To a bus company?

Mr. KELLY of Pennsylvania. To a bus company, a railroad subsidiary, without competition. I am asking that they be included under the provisions of this bill.

Mr. HUDDLESTON. Mr. Chairman, the amendment of the gentleman from Pennsylvania in its present form is dangerous. Not even a member of the committee, who have given this subject careful study, can be certain of the field for its operation, not to speak of the gentleman from Pennsylvania, who has not had the opportunity to give it the study that we have.

The committee considered this subject very carefully, and unanimously, as I recall, agreed that it would be dangerous to adopt such a provision. If it were confined to "subsidiaries" under the jurisdiction of the Interstate Commerce Commission, the situation would be different; but under the terms of the amendment as offered it includes "any company", whether transportation company or otherwise, whether it be mercantile, hotel, amusement, or whatever it might be which is "directly or indirectly affiliated" with a railroad company. So that if certain of the stockholders of a railroad company should see fit to incorporate an amusement park or a hotel with the view to operating it near a railroad terminal for the mutual advantage of both, although the enterprise was not owned by the railroad company, and although it was not controlled by it, under the amendment offered by the gentleman from Pennsylvania the coordinator would have jurisdiction to step into that purely intrastate proposition and to shut it down.

The gentleman expressed interest in employees—there is no provision in this bill for taking into consideration the interest of the employees of these subsidiaries. There is no provision by which they could be represented or their interests cared for. Note the remoteness of the connection with a railroad carrier. The employees of a purely intrastate company and operation might have their interests jeopardized, perhaps sacrificed, by some action the coordinator might take.

Mr. Chairman, the subject of railroads and interstate commerce is highly complex. May I say that after 12 years' service on this committee I recognize more than ever my limitations and the number of things I do not know about it. How presumptuous, then, it would be for me, without having given any special study to it or having heard any witnesses or knowing anything in particular about the subject, to undertake to thrust into this bill an amendment of such far-reaching importance. I cannot think of anything which would be calculated to cause more far-reaching consequences or perhaps do an incalculable injury than an amendment of a technical nature such as this.

If the gentleman wants to amend this bill, he should amend it in some respect in which there is not such complexity and in which we might be able to understand what the consequences of the amendment may be, and not undertake to thrust a charge into it and blow it up as an experiment to see what consequences might flow from it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. RAYBURN) there were—ayes 30, noes 79.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. In order to foster and protect interstate commerce in relation to railroad transportation by preventing and relieving obstructions and burdens thereon resulting from the present acute economic emergency, and in order to safeguard and maintain an adequate national system of transportation, there is hereby cre-



ated the office of Federal coordinating of transportation, who shall be appointed by the President, with the advice and consent of the Senate, or be designated by the President from the membership of the Commission. If so designated, the coordinator shall be relieved from other duties as Commissioner during his term of service to such extent as the President may direct; except that the coordinator shall not sit as a member of the Commission in any proceedings for the review or suspension of any order issued by him as coordinator. The coordinator shall have such powers and duties as are hereinafter set forth and prescribed; and may, with the approval of the President, and without regard to the Civil Service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such assistants and agents, in addition to the assistance provided by the Commission, as may be necessary to the performance of his duties under this act. The office of the coordinator shall be in Washington, D.C., and the Commission shall provide such office space, facilities, and assistance as he may request and it is able to furnish. The coordinator shall receive such compensation as the President shall fix, except that if designated from the Commission, he shall receive no compensation in addition to that which he receives as a member of the Commission.

Mr. MAPES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 31, line 22, after the words "the President", strike out the remainder of the line, all of line 23 and line 24, to and including the word "agents", and insert in lieu thereof the following:

"Appoint such experts and assistants to act in a confidential capacity, and, subject to the provisions of the Civil Service laws, such other officers and employees, and in accordance with the Classification Act of 1923 fix the salary of such experts, assistants, officers, and employees."

Mr. MAPES. Mr. Chairman, I do not care to take any more of the time of the Committee than is necessary to explain what this amendment does. I offered the same motion in the committee in substance.

The amendment strikes out the language in the bill which authorizes the coordinator to appoint his employees and assistants without regard to the Civil Service law and to fix their salaries without regard to the Classification Act of 1923, and substitutes therefor language similar to that contained in the Railroad Labor Act which will put the office of the coordinator under the classified Civil Service. The amendment would permit the coordinator to appoint necessary experts without regard to the Civil Service laws and regulations, but the rest of his office force would be appointed in accordance with Civil Service laws and regulations and their salaries would be fixed according to the Classification Act of 1923.

I know that during this session a good deal of legislation has been passed authorizing the appointment of employees without regard to the Civil Service laws and authorizing the appointing officers to fix their compensation without regard to the Classification Act, in fact, without any limitation at all upon the discretion of the appointing officer in that respect.

I think Congress and the country eventually will come to realize that such provisions are vicious.

I do not want any legislation with such a provision in it to pass without very definitely expressing my opposition to it.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. MAPES. I yield.

Mr. SNELL. After the extreme interest shown by the majority yesterday in the honest and efficient carrying-out of the Classification Act and the Civil Service laws, does the gentleman think they will have any objection to adopting his amendment at this time?

Mr. MAPES. I should like to have them agree to it. At any rate I shall give them the opportunity to vote upon it.

Mr. SNELL. I am sure after the exhibition we had here yesterday they will grant the gentleman's request.

Mr. RAYBURN. Mr. Chairman, this provision of the bill was very thoroughly considered, not only at the hearings but in the committee. The committee turned down the amendment of the gentleman from Michigan [Mr. MAPES] by an overwhelming majority.

I may say that no one knows at this time who is going to be the coordinator, unless it is the President of the United States. It has been stated in various press reports that Commissioner Eastman will be furloughed from the Interstate Commerce Commission and made the coordinator. I

doubt if his appointment would be displeasing to anybody, because he is a man of outstanding ability and has the confidence of the shippers and the public in general, as well as of labor and the railroads, as few other men in his position over the years have had.

One of the things that Mr. Eastman was very definite about was that among those whom the coordinator would call around him would be men who should be of the highest technical skill that he could get, and he thought it would greatly cripple the efforts and the accomplishments of the coordinator if he had to go to the Civil Service rolls to get these employees.

Mr. SNELL. Will the gentleman yield for a question there?

Mr. RAYBURN. Yes.

Mr. SNELL. In the building-up of this organization will it not also be necessary to have quite a number of what we may call average clerks and assistants in connection with the work?

Mr. RAYBURN. That is true.

Mr. SNELL. Would it not be all right to put them under Civil Service?

Mr. RAYBURN. This act will run for 1 year, under the law, and by proclamation of the President may be extended for another year. It will be in operation only 2 years. It is thought that in building up this organization to do this expert work, the coordinator should be given the privilege of selecting the help that he thinks is necessary, and it probably would not run more than 100 people.

Mr. SNELL. I understand that; but considering the facts that exist here at the present time, when a great many of these Civil Service employees are going to be out of jobs on account of the new orders combining and coordinating various activities of the Government, you have these people here now, and they are accustomed to this kind of work, and would it not be better to take care of them rather than bring in a lot of new people here who would not be acquainted with the work?

Mr. RAYBURN. I should think if the coordinator were a capable man, and I presume he will be, he will be the type of man who will call around him capable people; and if there are more capable people among those who are discharged from positions under the Civil Service in Washington, he will take them.

Mr. SNELL. But a large number of these jobs would simply need efficient clerks; and if they have been doing that kind of work for some time, we may presume they are efficient. We have these people here and to a certain extent we owe them some obligation, and it seems to me it would be only fair to this number of employees if you were to allow at least the common employees to come under the Civil Service laws, and especially since on yesterday you showed such interest in the honest application of the law.

Mr. RAYBURN. I happened not to be here at that time yesterday, but I want to say to the gentleman that when he talks about honest application of the law—

Mr. SNELL. I accept the gentleman's apology.

Mr. RAYBURN. There has not been any such thing.

Mr. SNELL. I am not arguing that, but you say that you want honest administration of the law.

Mr. RAYBURN. There has not been any such thing, for the simple reason that the gentleman knows, as well as I do, that with respect to States even as far away as his own State, and especially the States in the far South, the States of Virginia and Maryland and the District of Columbia have as many on the Civil Service rolls as any other half a dozen States of the Union.

Mr. SNELL. That can be taken care of with the law as it exists at the present time. We are all agreed on that, but the other question remains with respect to the honest and efficient administration of the law, and I think we ought to observe the law here in the House if we are going to ask the Commission to observe it.

Mr. RAYBURN. I think, Mr. Chairman, it would be very much better for the orderly work of the coordinator if he were allowed to choose his own corps of workers.

Mr. MAY. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MAY. Does not the chairman of the committee feel that necessarily in the organization of any new administration under this bill that the man who has charge of its administration can take care of all these things better than anybody else?

Mr. RAYBURN. Oh, I think so; yes.

Mr. MEAD. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. MEAD. In view of the attitude of the Republican Party when President Hoover's program was up for consideration and they took all those jobs out of the Civil Service, does not the gentleman think they ought to be consistent now?

Mr. RAYBURN. As I have just said, I agree with the gentleman from New York.

Mr. BLANTON. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. BLANTON for the amendment offered by Mr. MAPES: Page 31, line 24, after the word "appoint", in line 23, strike out the words "and fix the compensation of."

Mr. BLANTON. Mr. Chairman, under this language, unless we strike out, all these assistants and employees will have their salaries fixed by the coordinator.

None of us know who is to be appointed as coordinator. We do know that it is reported that the president of the Southern Railway has been receiving \$125,000 per year, and that in order to bring itself in line to receive loans from the Reconstruction Finance Corporation, it has reduced the salary of its president to \$60,000. This coordinator may be the kind of big-hearted personage who thinks it is all right to pay these 50-, 60-, 75-, 100-, and 200-thousand dollar salaries. And after we give him carte blanc authority, it will then be too late to complain when he begins to pay the salaries.

After all, it comes out of the pockets of the people. The railroads have learned that the Interstate Commerce Commission is going to give them a fair return on their money invested, and to make up for the expenses of running railroads including these outrageous salaries paid officials, the Interstate Commerce Commission raises the freight and passenger tariffs accordingly. So the people pay for it. And the railroads have quit fighting against bills, but let any kind of a bill be passed, and then they get relief from the Interstate Commerce Commission.

We do not know whether this coordinator will pay to his assistants and employees five thousand, ten thousand, fifteen thousand, or twenty-five thousand. I am getting tired of voting for bills with that language in it, allowing certain departments to fix the compensation themselves, and having the assurance given as an excuse for it, that the salaries will not be exorbitant, and then as soon as the set-up is made, when you get the list of salaries you find out that they are exorbitant. Then we cannot stop it. The time to stop this big salary business is in the making of the law. The time to prevent the coordinator from paying exorbitant salaries is right now in this bill, by putting in it a proper limitation.

Mr. RAYBURN. The gentleman understands that this money does not come out of the Treasury of the United States.

Mr. BLANTON. I know that eventually it comes out of the pockets of the people, for the Interstate Commerce Commission always raises the freight and passenger tariffs to take care of all expenses. If we do not stop exorbitant salaries being paid when people are starving to death, we ought to say that Congress does not believe in orderly government, run in behalf of the people.

Mr. McFARLANE. Will the gentleman yield?

Mr. BLANTON. No, I regret that I cannot yield; I have only 5 minutes. We had a bill here the other day in which the House provided for an additional \$50,000,000 being loaned to the insurance companies, and at first that bill

provided that the Reconstruction Finance Corporation would not loan any money until these companies reduced the salaries of their officials down to not over \$17,500 per annum. The committee eliminated that wise provision from the bill. When we tried to put it back, in the debate we showed that the insurance companies had raised the salaries of their presidents and other officials until—for instance, the New York Life was paying its president \$125,000 a year. The Metropolitan Life was paying its president \$200,000 a year, and yet there are some people starving to death in various parts of the United States.

Mr. PARKER of New York. Let me say to the gentleman that they have not borrowed any money and have not asked for any.

Mr. BLANTON. They could do it under the act we passed, and yet that wise limitation was stricken from the bill, and the matter of forcing them to reduce salaries was left to the Reconstruction Finance Corporation. All it has done is to require them to reduce these huge salaries 60 percent so that, instead of paying its President \$200,000, the Metropolitan Life Insurance Co. could pay its President only \$80,000 per annum—\$5,000 more than the President of the United States gets.

Are you in favor of that? The time to stop these outrageous salaries is right now.

I tried to stop them when the Reconstruction Finance Corporation Act was passed. Excuses then were given. We were assured that it would not pay big salaries, and yet as soon as it was set up and we got the break-down of its salaries, we found that they were paying one man \$16,500 a year and numerous others almost that amount. It is outrageous the way the salaries are paid under such blanket provisions as are put in this bill.

Mr. HASTINGS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HASTINGS. Under the gentleman's amendment, if adopted, what salaries would be received?

Mr. BLANTON. They could not pay more than \$10,000, which is provided under the Classification Act. I am not in favor of that act and it ought to be repealed, as its maximums are entirely too high; but, thank God, it does limit them to \$10,000. If you strike out this language provided in my amendment, they cannot pay a salary of over \$10,000. Is not that far more than enough for the assistants and employees of this coordinator?

I do not think we ought to pay that, but we should put at least that limit on it, and from now on every bill that is brought into this House is going to have a sane limitation on salaries if I can get my wish about it.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas. First, let me read from the hearings on page 46:

Commissioner EASTMAN. I do not think that any man ought to accept this job unless he is given absolutely a free hand in the matter of appointments.

As to the amendment of my colleague from Texas, if his amendment is adopted, he leaves in the language "without regard to the Civil Service laws and the Classification Act" that he is talking about. He says that under that they cannot be paid more than \$10,000, but he leaves the bill so that that is not regarded. Under the bill as it passed the Senate not more than \$250,000 a year can be expended by the coordinator, for the simple reason that under the Senate bill the railroads are assessed \$1 per mile, while under the House bill it is thought there may be a necessity for a little more money than that, and we put in a limit of not more than \$2 a mile on each individual railroad, which would amount to about \$500,000.

Mr. BLANTON. But my colleague knows that if we strike the language out and put in no restrictions as to compensation, before they can pay a single salary they will have to bring the set-up and get it approved by the Committee on Appropriations.

Mr. RAYBURN. I think the gentleman is mistaken about that.

Mr. BLANTON. How would they get them paid?



Mr. RAYBURN. They would naturally pay them out of the assessment made against the railroads, this amount of money that is provided in the bill.

Mr. HASTINGS. May I ask the chairman of the committee a specific question? If the amendment of the gentleman from Texas [Mr. BLANTON] is not adopted and the language remains in the bill as it is written, what is the maximum amount—or is there a maximum or minimum amount—that any of these officers may receive?

Mr. RAYBURN. The maximum amount is \$500,000 which the coordinator can spend.

Mr. HASTINGS. That is the aggregate amount that may be paid all the employees; but I want to know if there is anything in the bill that would limit the amount paid to an individual?

Mr. RAYBURN. Not a thing.

Mr. HASTINGS. Then they could get \$25,000 or \$100,000?

Mr. RAYBURN. Yes; to come out of the revenues of the railroads and not out of the Treasury of the United States.

Mr. HASTINGS. They could go to any amount except that they could not exceed in the aggregate \$500,000.

Mr. RAYBURN. I do not know whether there is anything to the rumor, but it is generally understood that Mr. Eastman will be the coordinator. He receives \$12,000 a year, less 15 percent. I doubt whether he would employ anybody at a higher rate than he gets himself.

Mr. HASTINGS. Why not put a limitation in to that extent?

Mr. RAYBURN. I think it would be a mistake and would do no good.

Mr. FORD. Mr. Eastman gets \$8,500 a year. He was cut from \$12,000 to \$10,000, and then he received a cut of 15 percent.

Mr. RAYBURN. That is correct.

Mr. MAPES. Mr. Chairman, I move to strike out the last word, and in my time I ask unanimous consent that the Clerk again report the amendment of the gentleman from Texas [Mr. BLANTON].

There was no objection, and the Clerk again reported the Blanton amendment.

Mr. BLANTON. Will the gentleman from Michigan yield to permit me to ask leave to substitute an amendment for the one that I have offered?

Mr. MAPES. I refuse to yield at the present time. I have no complaint to make with the speech which the gentleman from Texas [Mr. BLANTON] made, but I submit to the Committee that his amendment means nothing.

The amendment which I submitted is definite. It does what the gentleman has in mind, and in addition brings the employees under the Civil Service. The coordinator would still be allowed to select experts without reference to the Civil Service law, but all other employees would be selected according to the rules of the Civil Service law, and the compensation in all cases would be fixed according to the Classification Act of 1923. Congress spent a good deal of time considering the matter before the passage of the Classification Act. It applies to all Government employees. By the adoption of my amendment the coordinator would be relieved of having to pass upon the question of what was to be paid to each man employed by him.

The gentleman from Texas [Mr. RAYBURN] has called attention to the fund that is to be used by the coordinator. The House committee changed the recommendation of the Senate and provided that the railroads should pay into the fund to meet the expenses of the coordinator \$2 per mile for every mile of railroad in the United States. That will provide the coordinator with \$500,000 to use in 1 year. If no limitation is placed upon him in the exercise of his discretion, the sky will be the limit. I agree entirely with the argument of the gentleman from Texas [Mr. BLANTON] as far as it goes, but I am opposed to his amendment. It ought to be voted down and the amendment which I have submitted ought to be adopted by the House.

Mr. BLANTON. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw the amendment which I offered for the present.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. BLANTON]?

There was no objection.

Mr. BLANTON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk, as a substitute for the amendment offered by the gentleman from Michigan [Mr. MAPES].

The Clerk read as follows:

Amendment offered by Mr. BLANTON as a substitute for the amendment offered by Mr. MAPES: Page 31, line 23, strike out the words "and the Classification Act of 1923 as amended"; and in line 24 strike out the words "and fix the compensation of."

Mr. BLANTON. Mr. Chairman, this modified amendment meets the objection raised by the Chairman of the Committee on Interstate and Foreign Commerce, my friend from Texas [Mr. RAYBURN]. If we will pass this amendment, as I have changed it, they cannot pay any salary in excess of \$10,000 to anybody, and the salaries they do pay must comport with the provisions of the Classification Act of 1923 as amended. It does not leave to the coordinator, one man in the United States, the privilege of fixing the compensation of every assistant and every employee he has, at any exorbitant amount he may allow.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. SNELL. If you are going to be fair on one line, why not take the whole proposition and use them the same as you do in every other department of the Government?

Mr. BLANTON. The gentleman means also put back the language about making them come through the Civil Service?

Mr. SNELL. Yes. I should like the gentleman to tell us why not?

Mr. BLANTON. I am going to get 15 minutes here some time today and tell the great minority leader, and he is one of the greatest "minority" I ever saw—

Mr. SNELL. It will not be necessary to put that in the RECORD. You have put it in several times, and everybody knows it. [Laughter.]

Mr. BLANTON. I am going to tell him what a farce the Civil Service has been for the last 12 years under his administration.

Mr. SNELL. That is all right. We will grant that. Why do you not repeal the law, then?

Mr. BLANTON. I cannot yield further to the former great Chairman of the Rules Committee, who knows the rules and who ought to obey them by not interrupting until I yield.

Mr. SNELL. I thank the gentleman. He does know something about the rules, too.

Mr. BLANTON. Knowing the rules, he ought not interrupt me. [Laughter.] I want to tell you something about the administration of the Civil Service under the Snell regime—the great minority leader. Here is the city of Washington, with less than 500,000 population. It is entitled by law to 132 Civil Service employees. Yet it has 10,778 of its people on the pay roll as Civil Service employees. This city of Washington has 25 times as many of its citizens on the pay roll as has the great State of Texas, 900 miles across it east and west, and 900 miles across it north and south. As was stated by my colleague from Texas, the chairman of this committee, the city of Washington, the State of Maryland, and the State of Virginia have more employees on the Government pay rolls than any other 15 States in this Nation.

Mr. HASTINGS. Or in 45 States.

Mr. BLANTON. It is outrageous. Here we put a stop on that abuse the other day in an amendment on a bill and it has gone to the Senate, and they have torn our amendment all to pieces and fixed it so that they can continue to do this, to carry out this so-called farcical "Civil Service law" under the Snell regime. [Laughter.] We are getting tired of it.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. SNELL. As a matter of fact, the gentleman knows very well that I have never had anything to do with the Civil Service law.

Mr. BLANTON. Well, he is the only spokesman here for it now.

Mr. SNELL. Is that not true?

Mr. BLANTON. Well, he is the only spokesman for it now on the floor. You cannot get anybody else to approve it.

Mr. SNELL. I am not speaking for it. [Laughter.] I am for all the laws on the statute books, and you have not the courage to repeal the Civil Service law.

Mr. BLANTON. I have got the courage now to vote to repeal it and to stop this infernal injustice to all the other States of the Union.

Mr. SNELL. You are going to do a real injustice to everybody in the Civil Service, and you do not have the courage, with all your votes, to repeal a law, which in effect you are doing by piecemeal.

Mr. BLANTON. I will put my courage up against the courage of the gentleman from New York any time.

Mr. SNELL. Start in on it now.

Mr. BLANTON. Mr. Chairman, I ask the former Chairman of the Committee on Rules to observe the rules and not interrupt me.

The CHAIRMAN. The gentleman from Texas declines to yield further.

Mr. COOPER of Ohio. Will the gentleman yield for a question?

Mr. BLANTON. No; I am sorry; I cannot. I want to attend to the gentleman from Potsdam first. [Laughter.]

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. BLANTON. Yes. Under the Snell regime—

Mr. SNELL. Mr. Chairman, I make the point of order that the gentleman from Texas is not proceeding in order.

Mr. BLANTON. Oh, I am in order.

The CHAIRMAN. The gentleman from Texas will proceed in order and discuss his amendment.

Mr. BLANTON. And I know the rules better than the former Chairman of the Rules Committee, and I observe them better. [Laughter.] You know under his regime—

The CHAIRMAN. The time of the gentleman from Texas has expired. [Laughter.]

Mr. BLANTON. I will deal with that later, Mr. Chairman, as there are many interesting rules and regulations under the Civil Service during the last 12 years that deserve discussing. Under the unanimous consent granted me, I would like to say here and now that shortly after President Harding was inaugurated every Democratic postmaster in the country, practically, was forced to resign, and they were replaced with Republicans. When a Civil Service examination was held, and none of the three eligibles were satisfactory to the Republican organization, that examination was discarded and a new one held, until there was a Republican eligible on the list that would satisfy the Republicans.

Our beloved colleague, Hon. Ed Pou, the dean of Congressmen here, represents a Democratic district in North Carolina. It is a cotton district. He has been a Member of this House for 31 years. He is the honored Chairman of the great Committee on Rules. Yet every cotton statistician in his Democratic cotton district is a Republican and has been for 10 years. That illustrates what the United States Civil Service is under Republican rule. I want to see Democrats, loyal and worthy, in charge of every appointive position in this Government. And, in my judgment, the time has come for this change, most important to the people, to take place.

Mr. PARKER of New York. Mr. Chairman, in this bill we are giving more power to one man over property in the United States than was ever given to any one man before in the history of the country. We are giving this coordinator control over \$20,000,000,000 worth of property that is owned by the people. The railroads are to pay the expenses of this coordinator, and if this coordinator is big enough to hold down the job we are going to give him, he

is big enough to appoint his employees and fix their salaries. If he is not big enough, then the President of the United States falls very short of what I think his ability is.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the other day I tried to get 5 minutes' time to discuss a matter that is again brought on the floor this afternoon.

Day before yesterday, and today, gentlemen have stated from the floor of the House that under the law there were only 138 residents of the District of Columbia entitled to be employed in the Civil Service, and that because of the fact there are more than that number of residents of the District of Columbia employed in the Civil Service they have found fault with the system.

Personally, I believe it would be unfair unless we did employ many times more than 138 residents of the District of Columbia in the Civil Service.

Let me call attention to the fact that if a man came from your State or mine 30 or 40 years ago and worked for the Government here in the District of Columbia he retained his residence in your State or my State. He came here as a young man, we will assume, was married and raised a family. Those boys and girls are now grown up and have become young men and women. They are not citizens of Wisconsin, Texas, or Oklahoma. They are citizens and residents of the District of Columbia. There is no other place for them to find employment here in the District of Columbia except in the Federal service. This is not an industrial city. This is the seat of the National Government and it is well known that practically all people living here, or at least a large percentage of them, must find employment in the Federal service.

If we are to say that only 138 people who are residents of the District of Columbia are to receive employment in the Civil Service, then we must assume that these young people must leave their family ties, these young men and women who were born and raised here in the District of Columbia must run out to Oklahoma, Texas, or Wisconsin to find employment.

I do not claim to be the champion of the cause of the people of the District of Columbia. This is the first time I have found it necessary, in my judgment, to defend the people of the District of Columbia on the floor of the House, but I think it would be grossly unfair to have any system whereby the number of the residents of the District of Columbia on the Federal pay roll is restricted to 138.

I think it is only fair and just that there should be a larger number of them employed by the Government. If we do not give them jobs here, it means they must go out of the District of Columbia, leave their families, leave all behind them, go out to Michigan, Wisconsin, Oklahoma, Texas, and other States and compete with citizens there for jobs. People born and raised in the District are acclimated to conditions here. Their entire lives have been spent here, and I, for one, protest against any bill which would limit the number of Federal employees from the District of Columbia to 138.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. SNELL. Is it not a fact that the proportion for the District of Columbia in the Civil Service has been going on for the last 40, 50, or 75 years?

Mr. BOILEAU. I believe the gentleman is absolutely correct. I do not believe people from other States should come here and take jobs from people who are doing their work well; residents of the District of Columbia should not lose their jobs just because they happen to live in the Nation's Capital. [Applause.]

Mr. RAYBURN. Mr. Chairman, we want to get along with this bill. I want to give everybody an opportunity to discuss the bill, but hereafter I shall make a point of order against anyone who speaks out of order.

Mr. HASTINGS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I want to speak on two points. First, with reference to the amendment of the gentleman from Texas,



I want to call the attention of the members of the committee to the fact that if the amendment of the gentleman from Texas [Mr. BLANTON] is adopted it will not affect the salary of the coordinator, because by reference to the bill at page 32, lines 6 to 10, inclusive, the following language is found:

The coordinator shall receive such compensation as the President shall fix, except that if designated from the Commission he shall receive no compensation in addition to that which he receives as a member of the Commission.

This part of the section, of course, is not affected by the amendment of the gentleman from Texas, and if the amendment of the gentleman from Texas is adopted, it will not affect, therefore, the right of the President to fix the salary of the coordinator. I think the other salaries should be limited. Therefore I am in favor of the amendment of the gentleman from Texas.

Mr. PARKER of New York. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. PARKER of New York. If the gentleman will read the further provisions of the bill he will find that the President can fix all salaries.

Mr. HASTINGS. I am not in favor of that. I think there ought to be some limitation upon the salaries of the subordinates appointed by the coordinator.

From the chairman of the committee and others I have tried to ascertain whether any limitation has been placed upon the salaries of any of these other employees, but they have not been able to show me where it is contained in this bill.

If the amendment of the gentleman from Texas [Mr. BLANTON] means a limitation on these salaries except that of the coordinator, I am in favor of it, because I do not believe exorbitant salaries ought to be paid. If we are going to provide salaries, I think we ought to put some limitation on them.

Now, if larger salaries are necessary for experts or other employees, I think we ought to be frank enough to so provide in this bill that we may not lay ourselves open to criticism hereafter.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. BLANTON. That is the reason this language is put in this bill, to permit them to be without the operation of the Classification Act and to be able to pay the employees any amount the coordinator may want to pay. So when you strike this language out it means knocking out the limitations of the Classification Act under which the maximum salary is \$10,000.

Mr. HASTINGS. I hope the gentleman's construction is correct. I favor the amendment with that construction. If we vote this amendment and exorbitant salaries are fixed, we are responsible.

Now, with reference to the Civil Service law and in answer to the gentleman from Wisconsin: Here you have an act that was passed January 16, 1883. Let me read the provision of this act, for it has been misquoted all too frequently by every partisan paper in the District of Columbia.

This act says:

Third. Appointments to the public service aforesaid in the departments at Washington shall be apportioned among the several States and Territories and the District of Columbia upon the basis of population as ascertained at the last preceding census.

That act was passed on January 16, 1883. In other words, it was passed 50 years ago.

Now, what I am contending for is that in the administration of this law it ought to be observed.

Mr. BOILEAU. Will the gentleman yield?

Mr. HASTINGS. Not now. I have only 1 minute left. I think the gentleman's State of Wisconsin is entitled to fair representation among the employees in the District of Columbia. I think the gentleman's State of New York is entitled to fair representation as well as the State of the gentleman from Michigan. I think every State of this

Union is entitled to its fair apportionment of Federal employees in accordance with the terms of the act of January 16, 1883, and I will bet you that no man here on this floor will dare go back to his district and tell them that they do not have competent men and women there to fill their quota. When and if you do, send me a clipping from your home paper for my scrapbook.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Texas for the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 33, noes 97.

So the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 42, noes 90.

So the amendment was rejected.

Mr. LANHAM. Mr. Chairman, I move to strike out the last two words for the purpose of asking the chairman of the committee a question.

I understand that this bill, as it passed the Senate, contained a provision which prohibited the cancelation of through routes over railroad lines except with the prior consent or approval of the coordinator. It is contended by some that many of the shorter lines would likely have to be abandoned unless they could participate in through traffic. I should like to ask for information what the provisions of the pending bill are with regard to this matter.

Mr. RAYBURN. If a railroad is acting under the coordinator, it cannot be done without the consent of the coordinator.

Mr. LANHAM. And if not acting under the coordinator, then it would be done according to existing regulations?

Mr. RAYBURN. In accordance with existing laws and regulations.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 3. The coordinator shall divide the lines of the carriers into three groups, to wit, an eastern group, a southern group, and a western group, and may from time to time make such changes or subdivisions in such groups as he may deem to be necessary or desirable. At the earliest practicable date after the coordinator shall have initially designated such groups, three regional coordinating committees shall be created, one for each group, and each committee shall consist of five regular members and two special members. The carriers in each group, acting each through its board of directors or its receiver or receivers or trustee or trustees or through an officer or officers designated for the purpose by such board, shall select the regular members of the committee representing that group, and shall prescribe the rules under which such committee shall operate; but no railroad system shall have more than one representative on any such committee. In such selection each carrier shall have a vote in proportion to its mileage lying within the group. The two special members of each committee shall be selected in such manner as the coordinator may approve, one to represent the steam railroads within the group which had in 1932 railway operating revenues of less than \$1,000,000 and the other to represent electric railways within the group not owned by a steam railroad or operated as a part of a general steam railroad system of transportation. Each such special member shall have reasonable notice of all meetings of his committee at which any matter affecting any carrier which he represents is to be considered, and may participate in the consideration and disposition of such matter. Members of the committees may be removed from office and vacancies may be filled in like manner.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: On page 32, in line 19, after the word "and", strike out "two special members" and insert in lieu thereof the following: "Four special members, two of whom shall represent the shippers and shall be selected by such method as the coordinator may prescribe."

Mr. RAMSPECK. Mr. Chairman, I am offering this amendment at the suggestion of the Atlanta Freight Bureau. This organization represents the shippers in my district, and they feel that the shippers ought to have representation on this coordinating committee, just as they had during the war when we had the railroads under the direction of a Director General of Railroads. The shippers had representation at that time, and they say it was very helpful to them.

I think if we are going to have control of our transportation system by this coordinator and by this regional committee, which is set up under section 3, we certainly ought to give the people who furnish the freight and pay the freight some representation in the decisions to be made, and I hope this committee will adopt the amendment.

Mr. BULWINKLE. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BULWINKLE. Has the gentleman read section 9, which provides:

Any interested party, including, among others, any carrier, shipper, or employee, or any group of carriers, shippers, or employees, or any State commission—

And so on—

dissatisfied with any order of the coordinator may, at any time prior to the effective date of the order, file a petition with the Commission asking that such order be reviewed and suspended pending such review.

Does not that give sufficient representation?

Mr. RAMSPECK. I may say to the gentleman I do not think that serves the same purpose or gives them the necessary representation. These coordinating committees are going to make some very important decisions that are going to affect the shippers and their interests, and I cannot see any reason why these committees should not have shipper representation.

Mr. BULWINKLE. This is strictly a railroad proposition, and anything affecting the public interest goes before the coordinator and before the Interstate Commerce Commission and before the courts, if necessary, and they have every right that a shipper has now, and more.

Mr. RAMSPECK. But if they had representation on the committee they could avoid the necessity, in many, many instances, of going to the burdensome program of an appeal after an adverse decision has been made.

I hope the Committee will accept this amendment.

Mr. RAYBURN. Mr. Chairman, I will say to the gentleman from Georgia and to the Committee that if the House adopts this amendment it is going farther afield than the Congress has ever gone in regulating any public utility.

This section of the bill provides a way for the management of the railroads to set up their committees.

It would be a remarkable thing if we should wish on the management of the railroads somebody that has no interest in the property of the railroads and who in our opinion has no right to sit as representing the owners, as the gentleman from North Carolina has so well said. The interest of the shipper is well protected in this bill, and the shipper has his remedy. I trust that the Committee will not adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was rejected.

Mr. EDMONDS. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee a question. Line 14, page 33, provides:

Members of the committees may be removed from office, and vacancies may be filled in like manner.

How are you going to remove them from office?

Mr. RAYBURN. They are to be removed in a like manner—those who elected them can remove them.

Mr. EDMONDS. The coordinator cannot remove them?

Mr. RAYBURN. No.

Mr. DEEN. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to revise and extend my remarks in connection with the bill, and include therein the names of several leading railroad companies, showing the salaries paid the presidents, and in addition to that some information furnished by the Reconstruction Finance Corporation which shows the names of 65 of the leading railroad companies which have secured loans from the Reconstruction Finance Corporation and the amount actually loaned, the amount paid back, and also the amount canceled.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEEN. Mr. Chairman, in connection with the passage of this bill S. 1580, entitled "An act to relieve the existing national emergency in relation to interstate railroad transportation", it is of interest to note the schedule of salaries paid the presidents of some of the leading railroad companies in the United States.

	President's salary	
	1929	1932
The Atchison and Topeka Ry. system.....	\$75,000	\$67,500
Baltimore & Ohio system.....	125,000	120,000
Burlington system.....	60,000	60,000
Chesapeake & Ohio Ry. Co., the Hocking Valley Ry. Co., and Pere Marquette Ry. Co.....	100,000	90,000
Chicago & Eastern Illinois Ry. Co.....	50,000	45,000
Chicago & North Western Ry. system.....	75,000	61,000
Chicago, Milwaukee & St. Paul, and Pacific Ry.....	75,000	67,500
Delaware & Hudson Railroad Corporation.....	100,000	90,000
The Delaware, Lackawanna & Western R.R. Co.....	75,000	67,500
The Denver & Rio Grande Western R.R. Co.....	60,000	54,000
Erie R.R. system.....	75,000	67,500
Great Northern R.R. Co.....	90,000	60,000
Illinois Central system.....	100,000	90,000
The Kansas City Southern Ry. Co. and Texarkana & Fort Smith Ry. Co.....	50,000	45,000
Lehigh Valley Ry. Co.....	80,000	72,000
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.....	50,000	45,000
Missouri, Kansas & Texas R.R. Co.....	50,000	45,000
Missouri Pacific system.....	100,000	73,333
New York Central.....	100,000	80,000
New York, New Haven & Hartford Ry. Co.....	75,000	90,000
Norfolk & Western Ry. Co.....	75,000	67,500
Northern Pacific Ry. Co.....	50,000	50,000
Pennsylvania Railroad system.....	150,000	121,500
Rock Island system.....	66,000	57,750
Southern Ry. system.....	100,000	67,500
Southern Pacific Co.....	100,000	90,000
Union Pacific system.....	100,000	90,000

With the passage of this bill it is hoped that the coordinator will be instrumental in securing a lower schedule of salaries for high officials of railroads and a greater consideration for the thousands of laboring men connected with the railroads who make their existence possible. It is true that railroads have been handicapped by the appearance of trucks and busses and there ought to be specific regulations governing all common carriers, whether railroads or motor busses and trucks.

The greatest barrier to the progress of railroads is not the lack of business, nor the motor-transportation competition. It is freight rates. The structure of freight rates has been steadily climbing for the past 15 or 20 years. They are almost prohibitive at the present time. Industry and commerce have been at the mercy of the outrageous freight rates of railroad companies. A man in my district recently shipped a carload of goats from southern Georgia to New York. The freight was several dollars more than the price paid the shipper for his goats, whereupon the purchaser wired the shipper to wire or send him a certain amount of cash to pay the balance due on freight. The shipper wired that he could not send the cash but could ship him some more goats. This is a ridiculous situation, but it is representative of the unreasonable freight rates now in vogue. If this bill will correct this injustice and enable the producers and manufacturers to patronize the railroads, business throughout the country will take on new life and prosperity will be back again. A flexible schedule ought to be established so that railroad companies will not receive 2 and 3 times as much for hauling farm produce as the growers and shippers receive for the same produce. This will be real farm relief.

Mr. Chairman, I wish to submit some figures furnished me by the Reconstruction Finance Corporation, showing the number of railroads who have borrowed money from that Corporation and the amounts secured, also the purposes for which the loans were granted. Since the credit of the Federal Government is behind the Reconstruction Finance Corporation, I think the taxpayers will be interested in this information.

One hundred and nineteen loans aggregating \$377,639,426 were authorized to 65 railroads. Two million three hundred and eighty-three thousand three hundred and thirty-two dollars of this had been canceled or withdrawn, \$17,421,336.47 remained at the disposal of borrowers, and \$357,684,757.53 had been disbursed to them, of which \$20,523,340.60 had been repaid.



The proceeds of these loans were to be used for the following purposes:

For completion of new construction	\$48,545,483
For construction and repair of equipment and Dotsero Cutoff by Denver & Rio Grande Western Railroad	13,550,000
To pay interest on funded debt	91,507,981
To pay taxes	22,849,124
To pay past due vouchers for wages, materials, etc.	20,173,009
To pay principal of maturing equipment trust notes	28,861,342
To retire maturing bonds and other funded obligations	92,849,993
To pay loans from banks	37,793,900
To pay other loans	16,171,587
Miscellaneous	5,387,007

The loans authorized to each railroad, together with the amount disbursed to and repaid by each, are shown in the following table:

	Authorized	Disbursed	Repaid
Aberdeen & Rockfish R.R. Co.	\$127,000	\$127,000	
Alabama, Tennessee & Northern R.R. Corporation	275,000	275,000	
Alton R.R. Co.	2,500,000	2,500,000	
Ann Arbor R.R. (receivers)	634,757	634,757	
Ashley, Drew & Northern Ry. Co.	400,000	400,000	
Baltimore & Ohio R.R. Co.	71,625,000	68,739,978	
Birmingham & Southeastern R.R. Co.	41,300	41,300	
Boston & Maine R.R. Co.	7,569,437	7,569,437	
Buffalo-Union, Carolina R.R. Co.	53,960		
Carlton & Coast R.R. Co.	549,000		
Central of Georgia Ry. Co.	3,124,319	3,124,319	\$220,691
Central R.R. Co. of New Jersey	500,000	464,298	
Chicago & Eastern Illinois Ry. Co.	5,916,500	5,916,500	76,500
Chicago & North Western Ry. Co.	31,232,133	30,532,133	2,393,000
Chicago Great Western R.R.	1,289,000	1,289,000	
Chicago, Milwaukee, St. Paul & Pacific Ry. Co.	8,000,000	8,000,000	
Chicago, North Shore & Milwaukee R.R. Co.	1,150,000	1,150,000	
Chicago, Rock Island & Pacific Ry. Co.	13,718,700	13,718,700	
Cincinnati Union Terminal Co.	10,398,925	8,300,000	8,300,000
Columbus & Greenville Ry. Co.	60,000		160,000
Copper Range R.R. Co.	53,500	\$53,500	
Denver & Rio Grande Western R.R. Co.	7,350,000	4,374,100	500,000
Erie R.R. Co.	13,403,000	13,403,000	2,189
Eureka Nevada Ry. Co.	3,000		
Florida East Coast Ry. (receivers)	717,075	627,075	190,000
Fort Smith & Western Ry. (receivers)	227,434	227,434	
Fredericksburg & Northern Ry. Co.	15,000		
Gainesville Midland Ry. (receivers)	10,539		
Galveston, Houston & Henderson R.R. Co.	1,061,000		
Georgia & Florida Ry. (receivers)	354,721	354,721	
Green County R.R. Co.	13,915	13,915	
Gulf, Mobile & Northern R.R. Co.	520,000	520,000	290,000
Illinois Central R.R. Co.	6,363,000	6,346,333	33,333
Lehigh Valley R.R. Co.	6,500,000	5,500,000	
Maine Central R.R. Co.	2,550,000	2,550,000	
Maryland & Pennsylvania R.R. Co.	100,000	100,000	
Meridian & Bigbee River Ry. Co.	600,000		
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co.	6,843,082	6,843,082	306,089
Mississippi Export R.R. Co.	100,000	100,000	
Missouri Pacific R.R. Co.	23,134,800	23,134,800	
Missouri Southern R.R. Co.	99,200	99,200	
Mobile & Ohio R.R. Co.	785,000	785,000	785,000
Mobile & Ohio R.R. Co. (receivers)	1,070,599	1,070,599	
Murfreesboro-Nashville Ry. Co.	25,000	25,000	
New York Central R.R. Co.	27,499,000	23,100,000	
New York, Chicago & St. Louis R.R. Co.	18,200,000	17,788,120	2,688,413
New York, New Haven & Hartford R.R. Co.	700,000		
Pennsylvania R.R. Co.	29,500,000	28,500,000	
Pere Marquette Ry. Co.	3,000,000	3,000,000	
Pittsburgh & West Virginia Ry. Co.	3,975,207	3,975,207	
Puget Sound & Cascade Ry. Co.	300,000	300,000	
St. Louis-San Francisco R.R. Co.	7,995,175	7,995,175	2,805,175
St. Louis Southwestern Ry. Co.	18,790,000	18,672,250	790,000
Salt Lake & Utah R.R. (receiver)	200,000	200,000	
Sand Springs Ry. Co.	162,600	162,600	
Southern Ry. Co.	14,751,000	14,751,000	
Tennessee Central Ry. Co.	147,700	147,700	
Texas, Oklahoma & Eastern R.R. Co.	108,740		108,740
Texas & Pacific Ry. Co.	700,000	700,000	
Texas South-Eastern R.R. Co.	30,000	30,000	
Tuckerton R.R. Co.	45,000	39,000	16,000
Wabash Ry. (receivers)	15,731,553	14,825,000	
Western Pacific R.R. Co.	4,366,000	4,366,000	1,303,000
Wichita Falls & Southern R.R. Co.	400,000	400,000	
Wrightsville & Tennille R.R. Co.	22,525	22,525	
Total	377,689,426	357,884,758	20,523,340

<sup>1</sup> Denotes amount canceled or withdrawn, instead of repayment. (Total cancellation, \$2,383,332.)

The Corporation has received information from the borrowing roads showing the following distribution by States of \$21,188,145.40 of the \$22,849,124 lent to pay taxes:

Alabama	\$450,920.56
Arkansas	1,761,773.52
California	103,879.73

Colorado	\$854,800.00
Delaware	15,000.00
District of Columbia	206.84
Florida	7,948.44
Georgia	873,804.59
Illinois	2,582,876.34
Indiana	424,330.15
Iowa	225,601.00
Kansas	1,255,075.84
Louisiana	485,000.00
Michigan	4,137,182.50
Kentucky	11,962.84
Minnesota	258,919.00
Mississippi	68,934.57
Missouri	1,516,384.01
Montana	12,058.09
New Jersey	2,863,532.45
New York	133,780.73
North Dakota	457,500.00
Ohio	175,419.71
Oklahoma	1,210,914.27
Pennsylvania	425,290.11
South Carolina	17,828.60
Tennessee	412,073.83
Texas	280,100.00
Virginia	2,047.69
Wisconsin	163,000.00

Federal income taxes amounting to \$25,994 were also paid by the borrowers out of money advanced for tax purposes.

The Clerk read as follows:

Sec. 4. The purposes of this title are (1) to encourage and promote or require action on the part of the carriers which will (a) avoid unnecessary duplication of services and facilities of whatsoever nature and permit the joint use of terminals and trackage incident thereto or requisite to such joint use, (b) control allowances, accessorial services and the charges therefor, and other practices affecting service or operation, to the end that undue impairment of net earnings may be prevented, and (c) avoid other wastes and preventable expense; (2) to promote financial reorganization of the carriers, with due regard to legal rights, so as to reduce fixed charges to the extent required by the public interest and improve carrier credit; and (3) to provide for the immediate study of other means of improving conditions surrounding transportation in all its forms and the preparation of plans therefor.

Mr. MAY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Section 4, strike out the word "and" immediately preceding "(c)" and insert in the next line, between the word "expense" and the semicolon, a comma and the following: "or (d) results in the greatest reduction in freight and passenger rates consistent with the requirements of the Interstate Commerce Act, as amended by section 205 in this act, with respect to justness and reasonableness of rates."

Mr. MAY. Mr. Chairman, I understand the meaning of this section to be that it is an effort on the part of this committee—and I want to congratulate them for their splendid work in connection with the legislation—to enable the railroads to perform the greatest public service possible at the least cost and realize the greatest net return on their operation.

To my mind—and I think most Members of the House who have studied the question will agree with me—the most difficult thing the railroads have to contend with in the matter of income and earnings is the question of freight and passenger rates.

Mr. PARKER of New York. Will the gentleman yield?

Mr. MAY. Yes.

Mr. PARKER of New York. If the gentleman's amendment is adopted, it will absolutely preclude the coordinator from considering service.

Mr. MAY. Oh, no.

Mr. PARKER of New York. It will; and service is fully of as much account and importance as rates. There is no question in my mind that he can pay no attention at all to service.

Mr. MAY. I will say to my friend from New York [Mr. PARKER] that to my mind there is grave question as to whether the Interstate Commerce Commission has not been a detriment rather than a help to the railroads, and particularly by their arbitrary action for the last 20 years. They have literally handcuffed the railroads to a schedule of rates that makes it impossible for the shippers to patronize the

roads and thereby they have helped to destroy traffic rather than create and increase traffic. The law of legitimate competition under fair traffic practices has been destroyed and the very principle of competitive activity is what has developed our great system of railway transportation until it is the finest and best in the world. If the Commission were forced to release the shackles, they could then have some reasonable chance to compete with busses and trucks that run by multiplied thousands upon great Federal highways thousands of miles of which we are building every year.

The amendment will enable the coordinator, with the approval of the Interstate Commerce Commission, to do the very thing that this bill does not authorize him to do, namely, to regulate downward freight and passenger rates in this country which has not been done for 20 years. Of course, I realize that it may be argued here by the committee, if they oppose my amendment, which I think they ought not to do, that there are hearings pending before the Interstate Commerce Commission for that purpose now; but I undertake to say that some 2 months ago the Commission granted the privilege, as a test—and this is merely experimental legislation—to three southern railroads of reducing passenger rates for 6 months. The result of that is that they have increased their revenues, have had more traffic, and have improved the service. That will be the result of any scheme that the coordinator or the Commission may undertake under this legislation in authorizing a reduction in freight and passenger rates.

We talk about tariffs in the House of Representatives, and we condemn the Smoot-Hawley tariff and the Hoover-Grundy Tariff Acts, and I think they ought to be condemned, but the meanest tariff in the United States is the schedule of freight and passenger rates on railroads, and everybody knows it. The only purpose of my amendment is to authorize the Commission by express legislative mandate to lower these freight rates, if it becomes necessary to do so, and when you come to consolidating terminals and the facilities of railroads in the great terminals of the country it may become absolutely necessary, and I believe it will, that one railroad shall concede to another a portion of its rate or make some adjustment of rates, and under the present legislation they will have no power to do that, unless this amendment be adopted.

Mr. DUNN. Is this mandatory?

Mr. MAY. This is merely permissive. It expresses the will of Congress, to show that we want a reduction in rates. The press a few days ago charged me with having feelings about the matter. I have no feeling about it at all. I want to help the railroads, and I believe the greatest step toward helping them is to give them a reduction in freight rates.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAY. I call attention to one schedule of freight rates particularly applicable to my section of the country, and I hope you will not think that I am hammering away particularly for my constituents in this, but what is true of rates on coal from southern fields to the lake ports is true of rates on oranges from Florida and fruits and vegetables from Texas and on steel and iron products from East to West. It is true everywhere.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. MAY. Not now. I put in the RECORD, on page 3908, on the 11th day of last February, a table furnished by the Interstate Commerce Commission of the present rates on bituminous coal in carload lots from the southern fields to the lake ports. In that table it is shown that the rate from Kentucky and West Virginia and Virginia to the lake ports, to Toledo, Ohio, is \$2.37 per ton. One Mallet engine will pull 150 cars of coal that will average 50 tons to the car, and some of them will average 70 tons to the car, and that means 8,000 tons of coal that will amount to \$20,000, and two train crews will do that in 15 hours. Yet the three railroads—the

L. & N., the Norfolk & Western, and the C. & O.—were denied permission to reduce these rates when they applied to the Interstate Commerce Commission for that right. I yield to the gentleman from Connecticut.

Mr. GOSS. If the gentleman's amendment is adopted, it has the effect of upsetting the decision of the Interstate Commerce Commission in the Lake Cargo Coal case. Is not that true?

Mr. MAY. No.

Mr. GOSS. The gentleman is legislating on the floor to upset a decision of the Interstate Commerce Commission.

Mr. MAY. It does not have the effect of upsetting the decision, because this is merely a legislative enactment; but I will say that the decision ought to be upset. Who ever heard of a case where the shipper, the carrier, and the consumers were all demanding a reduction and then it was refused?

Mr. GOSS. That is the point. The Commission made its decision, and now the gentleman comes on the floor with an amendment trying to upset their decision.

Mr. MAY. Such a judicial monstrosity ought to be upset. Probably a judicial perversion would be a more appropriate name.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes; I yield to my colleague.

Mr. BROWN of Kentucky. If this is a legislative act, we do upset that decision; but I ask the gentleman if it will not be upsetting a decision in favor of the people back in his State and in the States of a great many other gentlemen here?

Mr. MAY. It will not only be that, but it will be in favor of the people of every section of this country and will set a precedent as to what the Congress of the United States means and what it wants on the question of freight and passenger rates. Freight and passenger rates are throttling business in every section of this country and every avenue of business. Freight rates have become so prohibitive that a carload of coal in my section of the country sells for \$10, and yet it costs \$180 to get it to the market. If that is not an obstruction to commerce, I do not know what it is. That is what we call "killing the goose that lays the golden egg." Everyone knows how essential it is that the value of railroad securities shall be preserved in order not only that the railroads may finance themselves but that investors in their stocks and bonds may be protected. The railroads are as essential to our business and commercial life as is the blood to the human system. When either is obstructed paralysis sets in, and that is just what has occurred to both business and commerce.

Mr. RAYBURN. Mr. Chairman, I told the House yesterday that I thought freight and passenger rates were both excessive, but surely upon the floor of the House is not the place to fix rates.

I call attention to page 53, section 205, paragraph 2, which I think entirely answers the gentleman from Kentucky [Mr. MAY]. That leaves with the Interstate Commerce Commission, as it is now, the question of fixing rates. If the gentleman is displeased with leaving the fixing of these rates with 11 men, after a hearing, surely he does not want to take it away from 11 men and give it to 1 man who is a temporary employee of the Government.

Mr. MAY. Will the gentleman yield for a question?

Mr. RAYBURN. I yield.

Mr. MAY. Section 15a of section 205 is an amendment, in a way, of the Interstate Commerce Act as it now exists?

Mr. RAYBURN. Yes.

Mr. MAY. It merely provides that when used in this section the term "rates" means rates, fares, charges, and all classifications, regulations, and practices relating thereto.

Mr. GOSS. Read the next section.

Mr. RAYBURN. Yes. Read the next one, section 2. I will read it in my own time.

In the exercise of its power to prescribe just and reasonable rates, the Commission shall give due consideration, among other factors, to the effect of rates on the movement of traffic; to the



need, in the public interest, of adequate and efficient railway transportation service at the lowest cost consistent with the furnishing of such service.

I think that is a complete answer.

Mr. MAY. If the gentleman will yield, may I explain my purpose by saying that this bill as reported is the substitute bill of the House for the Senate bill, and at the time I prepared my amendment I had only the original draft of the bill that I do not think contained this clause.

Mr. RAYBURN. Oh, title II of this bill has been on the calendar during all of last session of Congress and the early part of this session of Congress.

Mr. MAY. I asked the legislative counsel to prepare this amendment, and it was prepared at this place.

Mr. RAYBURN. The gentleman was looking at the coordinator bill, I presume.

Mr. PARKER of New York. Even if the amendment offered by the gentleman from Kentucky [Mr. MAY] were adopted, it throws the decision right back to the Interstate Commerce Commission, because there would be appeals taken immediately.

Mr. RAYBURN. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MAY].

The amendment was rejected.

Mr. COX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cox: After the comma, following the word "use", in line 22, on page 33, add the following: "provided no routes now existing shall be eliminated except with the consent of all participating lines or upon order of the coordinator."

Mr. COX. Mr. Chairman, the bill as it passed the Senate carried this language. It was written in, in the interest of the short-line railroads of the country. You understand that these roads now enjoy the benefits of arrangements made as a result of agreements between the short-line roads, and in some instances upon the order of the Interstate Commerce Commission. If the established routes are interrupted, it will probably mean putting out of business altogether many of the short-line railroads in the country.

Mr. MAY. Will the gentleman yield there?

Mr. COX. In just a minute. The short-line railroad is a community interest, employing largely people of the vicinity, and are able to carry on because of these arrangements that have been made between them.

This simply serves as a restraint upon the regional committee in dealing with the short-line roads. It does not mean that they may defeat the will of the coordinator. It simply means that the committee cannot, of its own motion in the absence of an agreement between the short-line roads, abolish these routes that have been established. The coordinator may even, in the absence of agreement between the roads, order the routes abolished. In other words, it gives the coordinator the power to determine as to what shall be done.

I offer the amendment, Mr. Chairman, in the interest of the short-line roads. It was carried in the Senate bill and was written in for the express purpose of taking care of these neighborhood properties.

I now yield to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Is not one of the important features of the amendment offered by the gentleman from Georgia, the fact that it will stamp out and eliminate numerous small industries in the communities along the short lines, if the short lines are abandoned?

Mr. COX. That is true. The short-line roads serve these community enterprises, and if they are wiped out as a result of the action of the committee, under the influence of the big roads, it simply means a paralysis of the small industries that have been built up along and are served by the short-line roads of the country.

I hope the amendment will be adopted.

Mr. RAYBURN. Mr. Chairman, the committee considered this amendment, considered it with Mr. Eastman, a member of the Interstate Commerce Commission, sitting with us. He thought it was an undesirable amendment.

More than that, a representative of the short-line railroads was in my office this morning and told me that the bill we had reported to the House was entirely satisfactory to them. At the present time the shipper has a right to route his freight as he pleases, and he will have it after this bill is passed. The coordinator has no authority under this bill to abandon a line. That is the business of the Interstate Commerce Commission, under the act of 1920, and this does not change it.

Mr. COX. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. COX. The gentleman observed the language in the amendment that has been offered, which gives the coordinator the power to work his will upon the situation? In other words, the amendment provides—

Mr. RAYBURN. It says "on agreement of the parties or"—

Mr. COX. "Or upon the order of the coordinator." Therefore the coordinator controls in the situation.

Mr. RAYBURN. I think the word "or" makes a difference.

As I say, the committee rather thinks it would be a dangerous proposition, and I do not think the Senate committee adopted it. I think it was one of those amendments which was accepted on the floor of the Senate.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

The Clerk read as follows:

SEC. 5. It shall be the duty of the committees on their own initiative, severally within each group and jointly where more than one group is affected, to carry out the purposes set forth in subdivision (1) of section 4, so far as such action can be voluntarily accomplished by the carriers. In such instances as the committees are unable, for any reason, legal or otherwise, to carry out such purposes by such voluntary action, they shall recommend to the coordinator that he give appropriate directions to the carriers by order; and the coordinator is hereby authorized and directed to issue and enforce such orders if he finds them to be consistent with the public interest and in furtherance of the purposes of this title.

Mr. BECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Beck: On page 34, line 17, strike out lines 17, 18, 19, 20, and 21 and insert the following: "he consider the matter in dispute and advise such carriers and committees as to his conclusions as to what should be done by the carriers in the matter in controversy to serve the public interests and promote the objectives set forth in section 4."

Mr. BECK. Mr. Chairman, I offer this amendment upon my own responsibility and without discussing the matter with anyone until within the last half hour. I have offered it for the purpose of challenging the attention of the Committee to the power herein given to the coordinator to "enforce" any order whatsoever in respect to the railroads, even though the subject matter of the order may refer solely to intrastate commerce, or to the financial set-up of an organization, or the reduction of its fixed charges, or the further employment or discharge of employees.

There seems to be a difference between two members of the very capable Committee on Interstate Commerce, of which I had at one time the honor, and was very proud, to be a member, as to what is the meaning of the words "that the coordinator shall enforce."

On the one hand, the gentleman from Connecticut [Mr. MERRITT] yesterday said that the coordinator would have no power to enforce any order except insofar as the prestige of his high office would insure a moral pressure upon the carriers to agree to whatever the coordinator might decide.

Upon the other hand, the gentleman from New York [Mr. PARKER] only half an hour ago emphasized the idea that the expression "enforce" had considerable teeth, because, possibly having it in mind, he said what I fear may be true, namely, that this coordinator will have greater powers than had ever before been vested in any public official in the whole history of our country. I do not pretend to quote his language exactly, but that was the substance of it.

In this connection I differ with him, because I think the coordinator will have two very close rivals in dictatorial powers, one the director under the economic recovery bill and the other the Secretary of Agriculture in respect of agriculture; but, certainly, the dictator of agriculture, on the one hand, and the dictator of the manufacturing industries, on the other, and now the dictator of the railroads, will, like Pompey, Crassus, and Caesar, divide the entire industrial field of America between them and exercise dictatorial powers not unlike the great triumvirate of ancient Rome.

The purpose of my amendment is simply this: I recognize that this bill is in many respects, an admirable bill, but I do think it is a mistake, following the prevailing fashion of creating dictators, to say that the coordinator over the carriers shall have the final decision and power of enforcement as to any matter, as to whether, for example, the carriers shall take on or discharge employees, whether they shall reorganize a railroad or whether they shall reduce the bonded indebtedness of a railroad. I say in any of these matters, if the carriers do not agree with the coordinator, to make him a dictator, not only decide the question in controversy but to enforce it. This, to my mind, is very doubtful wisdom. I am too old in years and too old-fashioned in my conceptions of government to favor the creation of such dictators.

Mr. TERRELL. Mr. Chairman, will the gentleman yield for a brief question?

Mr. BECK. I yield.

Mr. TERRELL. Does the gentleman feel that Congress, under the Constitution, can confer power upon this coordinator so affecting the rights of the individuals who own the railroads, that he may say that their property shall be destroyed in accordance with his dictation?

Mr. BECK. In reply to the gentleman from Texas, I think Congress has no such power, and I think that the first time the coordinator attempts to enforce a matter that is not within the scope of interstate commerce, he will find that the courts will say so, unless they have wholly lost courage. But I told the House some days ago that, having made one final plea for the sanctity of the Constitution, I was disposed in future to regard that as my "swan song" and, therefore, I do not base my objection upon constitutional grounds.

[Here the gavel fell.]

Mr. BECK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BECK. I believe the coordinator ought to decide emergency questions that may arise in the present critical situation between the carriers whether they affect interstate or domestic commerce. I would, however, place the sanction of his decision upon the force of public opinion, because, if in this trying period of time the coordinator says that two carriers who differ between themselves as to what is necessary in the public interests, then the force of public opinion, together with the great coercive power of the Interstate Commerce Commission in respect to interstate railroads, will insure the enforcement of what the coordinator requests. But you give him in this bill the power to enforce. How? How is he going to enforce? If a railroad is ordered by the coordinator to discharge a thousand employees and the railroad declines to do so, can the coordinator walk into the railroad offices and strike the thousand men from the rolls of the company? If a carrier declines to reduce his fixed charges, can the coordinator go in and strike a pen through the mortgage and cancel or reduce the bonds to the particular amount that is required?

You are giving a single individual absolute power over every detail of railroad management and you are attempting to give him some vague power to enforce. How? If he goes into court, what is the court to decide? The court can only say that Congress made him the final judge of what the railroads should do in a matter that is nonpracticable.

Mr. HUDDLESTON rose.

Mr. BECK. I know what the gentleman is going to ask. See if I do not anticipate his question. The gentleman is going to ask whether there is not an appeal to the Interstate Commerce Commission, and I shall refer to that. That is true, but they are not a body of lawyers; they are not judges. As a matter of fact, and I have said it before, and I say it again, that it is a very debatable question whether the Interstate Commerce Commission has not done far more harm to the railroads than it has done good in its operations of 45 years.

But, be that as it may, nevertheless, will you trust to one man or to the whole Commission all the details of railroad management, some of which are beyond the field of Federal power, as my friend from Texas [Mr. TERRELL] called to the attention of the House in his inquiry a few minutes ago?

I do hope the Members will pause in giving such power to any man, however able; and the proposed coordinator, Mr. Eastman, is a very able man, a very high-minded man, and I am sure has nothing but the interests of the country at heart, which I acknowledge, but he is a very positive and aggressive man and a firm believer in the Government ownership of railroads; and when he sits as the dictator of the railroad destinies of this country, you may find a situation in which this last creation of dictatorial power in this emergency legislation will bring to the country the folly of it all, because there is no excuse, even in this emergency, to set up in a Nation that is supposed to have a "government of laws and not of men" the arbitrary rule of dictators. [Applause.]

Mr. RAYBURN. Mr. Chairman, the question that must be determined is whether or not you are going to have a coordinator, and the amendment of the gentleman from Pennsylvania [Mr. BECK] goes to the very heart of the matter. If you are going to have a coordinator in this emergency—and it seems that the shippers, the railroad owners, and, with the amendments in this bill, labor, are willing to have a coordinator—in section 4 of this bill is set out what this man is going to try to accomplish: "The purposes of this title are (1) to encourage and promote or require action on the part of the carriers" that will do certain things. Before this coordinator does anything to bring this about he cooperates with the committees named by the carriers, and I think in 90 percent of the cases they will come to an agreement. In some cases they will not be able to come to an agreement, and in that instance the coordinator is given the power to act, like the Interstate Commerce Commission has the power under the interstate commerce law to act now, and the bill gives this single individual an opportunity to do these things, if we want them done. If the House or the Committee determines it does not want a coordinator, that is one thing. I am not so keen for it myself. [Laughter.] But if you are going to have a coordinator, if you are going through with this gesture, in my opinion, then you will certainly get a mere gesture and nothing else, if you adopt the amendment of the gentleman from Pennsylvania. However, if you are going to have a coordinator with power to do something in this emergency that will relieve the situation, you have got to give him the power to act and the power to put into effect orders and to enforce such orders in a legal way.

Mr. COX. Will the gentleman yield there?

Mr. RAYBURN. Yes.

Mr. COX. What is the coordinator expected to do that holds promise of relief to the general public? That is what I want to know.

Mr. RAYBURN. Well, I think the public is not injured by this legislation. I think under the advice of the coordinator, in all probability, there will be some things done in transportation that ought to have been done years ago, and on his advice something will be done. Certainly, I believe the coordinator, with his advice and with his standing is going to be able to bring about some economies, will stop some waste, and in some degree, at least, will point the way to the time when the 100,000,000 people of the country may receive some benefit from it.

Mr. BECK. Will the gentleman yield?

Mr. RAYBURN. Yes.



Mr. BECK. Let us view the thing concretely and suppose the regional committee is of opinion that the New York Central ought to absorb the Pennsylvania Railroad system and the coordinator reaches the conclusion that this is true. In the first place, is it a healthy power to allow one man—

Mr. RAYBURN. He does not have any such power, I will say to the gentleman. The coordinator has no power whatsoever over consolidations. That is left in the Interstate Commerce Commission where it has been since 1920.

Mr. BECK. I know my candid and always clear friend, if he reads this section in connection with the preceding section, will see that there is nothing that affects railroad management as to which the coordinator may not make an order and enforce it.

Mr. RAYBURN. I will say to the gentleman, that has been discussed by us and we intend to say in this bill, and do say, I am persuaded, as I said in my statement in explanation of it yesterday, that the coordinator has nothing to do with the consolidation of railroads and I do not think there is anything in the act that would specifically give him that authority. We do not intend it.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. HUDDLESTON. There is nothing of a permanent nature the coordinator can do whatsoever. This whole act discharges itself and ends at the end of 2 years by its very terms and nothing that can be done will extend beyond that period. Hence no dealing with corporate structure is possible under it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Beck].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 7. (a) A labor committee for each regional group of carriers may be selected by those railroad labor organizations which, as representatives duly designated and authorized to act in accordance with the requirements of the Railway Labor Act, entered into the agreements of January 31, 1932, and December 21, 1932, with duly authorized representatives of the carriers, determining the wage payments of the employees of the carriers. A similar labor committee for each regional group of carriers may be selected by such other railroad labor organizations as may be duly designated and authorized to represent employees in accordance with the requirements of the Railway Labor Act. It shall be the duty of the regional coordinating committees and the coordinator to give reasonable notice to, and to confer with, the appropriate regional labor committee or committees upon the subject matter prior to taking any action or issuing any order which will affect the interest of the employees, and to afford the said labor committee or committees reasonable opportunity to present views upon said contemplated action or order.

(b) The number of employees in the service of a carrier shall not be reduced by reason of any action taken pursuant to the authority of this title below the number as shown by the pay rolls of employees in service during the month of May 1933, after deducting the number who have been removed from the pay rolls after the effective date of this act by reason of death, normal retirements, or resignation, but not more in any one year than 5 percent of said number in service during May 1933; nor shall any employee in such service be deprived of employment such as he had during said month of May or be in a worse position with respect to his compensation for such employment, by reason of any action taken pursuant to the authority conferred by this title.

(c) The coordinator is authorized and directed to establish regional boards of adjustment whenever and wherever action taken pursuant to the authority conferred by this title creates conditions that make necessary such boards of adjustment to settle controversies between carriers and employees. Carriers and their employees shall have equal representation on such boards of adjustment for settlement of such controversies, and said boards shall exercise the functions of boards of adjustment provided for by the Railway Labor Act.

(d) The coordinator is authorized and directed to provide means for determining the amount of, and to require the carriers to make just compensation for, property losses and expenses imposed upon employees by reason of transfers of work from one locality to another in carrying out the purposes of this title.

(e) Carriers, whether under control of a judge, trustee, receiver, or private management, shall be required to comply with the provisions of the Railway Labor Act and with the provisions of section 77, paragraphs (o), (p), and (q), of the act approved March 3, 1933, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

Mr. MARTIN of Colorado. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Section 7, page 37, beginning with the word "after" in line 3, strike out down to and including the figures "1933" in line 7.

Mr. MARTIN of Colorado. Mr. Chairman and Members, according to the CONGRESSIONAL RECORD this morning, the Economy Act got its face lifted yesterday over at the other end of the Capitol and came very near getting another portion of its anatomy lifted.

The operation, in my judgment, greatly improved its appearance, making it look almost human. I hope when the bill comes back to the House it will be treated as was the inflation amendment on the farm bill, the conferees being relieved by vote of the House of the responsibility of deciding what they are going to do about the Senate amendment to the Economy Act.

This bill also got its face lifted at the other end of the Capitol in an important respect, and that amendment has been incorporated in the House bill by the Interstate Commerce Committee. I hope with the aid of the operation of my amendment it will remain there. That is what is known as the "amendment to freeze labor", to prevent the wholesale discharge of employees when the act goes into operation.

From the reports drifting into Washington from all over the country it strikes me that the economy nose dive has about reached bottom. I think that spirit of optimism ought to be reflected in the labors of this Congress, and so far as I am concerned, I am willing to respond to it by voting to repeal the recapture clause of the Railroad Transportation Act of 1920, which required the railroad companies of the country to pay over to the Government some \$250,000,000 that they never have paid. But in exchange for that largess I think the railroad companies ought to lay off the idea that they are going to obtain remuneration for their extravagant waste in railway management at the expense of the railway employees of the country.

The Senate amendment I refer to is in the House bill. It is paragraph (b) of section 7 (a) and is a very short paragraph. It only took one semicolon to divide it into two parts. I am going to show you that it is susceptible of being divided into three parts, and one of these parts is very objectionable and may serve to throw the interpretation and operation of the whole paragraph in doubt.

Section (b) provides that—

The number of employees in the service of a carrier shall not be reduced by reason of any action taken pursuant to the authority of this title below the number as shown by the pay rolls of employees in service during the month of May 1933.

That is a very clear proposition.

The last provision, after the semicolon, is equally clear. That reads as follows:

Nor shall any employee in such service be deprived of employment such as he had during said month of May or be in a worse position with respect to his compensation for such employment by reason of any action taken pursuant to the authority conferred by this title.

Somebody may say at this juncture, what are you kicking about, with two such plain propositions in the bill; but this is the thing which, in my judgment, may throw this whole matter into confusion and cause the Members of this House no end of worry and concern after the Congress adjourns if it is left in the labor provision. In the first paragraph it is provided, as I have stated, that the number shall not be reduced below the number shown by the pay rolls as employed in May 1933, and then continues:

After deducting the number who have been removed from the pay rolls after the effective date of this act by reason of death, normal retirements, or resignations, but not more in any one year than 5 percent of said number in service during May 1933.

It is said there are something over a million employees left on the railroads of the country at this time. Under that language they could cut 5 percent of those employees off as soon as the act got into operation. Not only that, but this is a continuing power, because it provides that they shall not cut more than 5 percent off "in any one year", and that would be an increasing percentage of the number left. If they ditch 50,000 or 60,000 the first year, you would not

take 5 percent of what was left the next year, but you would always go back to the base period of May 1933 and cut off 5 percent more of the number of employees who were on the pay roll at that time.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Yesterday in general debate one gentleman on the floor was making an argument against this whole provision. He thought it ought to go out, and he said that this law will be administered by human beings, and they no doubt will have sympathy with the railway employees of the country, the men working on the railroads. The gentleman very courteously permitted me to interrupt him. I suggested to him that a lot of us here voted for the Economy Act with that understanding, but it did not seem to be working out that way. The gentleman agreed and said no, it did not, but he said it is commencing to diverge in that direction.

Mr. Chairman, so far as I am concerned, I do not want any assurance of that kind, and I do not want any divergence in a direction; I want to arrive at the direction in this law. If we want to protect these railroad employees and prevent the railways of this country from discharging tens of thousands of them within 30 days after this Congress adjourns, let us nominate it in the bond; let us write it in the law. Gentlemen will remember the game we have been up against here until recently under the regulations of the Veterans' Economy Act about the threatened closing of hospitals and regional offices, and how, instead of being here attending to our duties on important legislation, we have been running in circles down around the War Department and the Veterans' Administration begging them not to cut off these regional offices and not to close these hospitals. We are confronted with the same proposition here, except that it is on a larger scale. Not only the railway employees will be concerned but all of your communities will be concerned in this legislation when they get ready to put into effect economies that will paralyze or wipe out or dry up little towns in your district and mine and cut employees out. You are going to have a continuing job on this bill after you get home. We have scared the veterans of this country to death, and we are backing up on that proposition. We have had time to learn something about it; we have had 3 months to see how the law would operate, and fortunately we have been here long enough to find out, and we are going to correct it. We were going to reorganize the Government by the act we passed 3 months ago, going to wipe out bureaus and consolidate departments and cut off thousands of employees. We are soft pedaling on the proposition now. We are now starting in to scare the railroad employees to death and put them up in the air, and we will not have any time to correct it if we make a mistake in this bill, because we will not have any 3 months before adjournment in which to learn about it and rectify it.

Mr. PARKER of New York. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. PARKER of New York. The testimony before the committee showed that the natural decrease from death and retirement is 5 percent. That is why we put this in at 5 percent.

Mr. MARTIN of Colorado. Then why put it in if 5 percent are going to die and retire or get fired in a year? Why put it in the law? Why put this continuing proposition in here of 5 percent for every year hereafter on the basis of the average in May 1933?

Mr. PARKER of New York. The bill runs for only 2 years.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. CONNERY. Do I understand the gentleman's idea is that after deducting the number who have been removed

from the pay rolls, if his amendment prevails, they would have to put men on in their places?

Mr. PARKER of New York. Yes.

Mr. MARTIN of Colorado. My idea is this. We have had to study this hastily, we never saw the bill until today. If my amendment prevails it will not authorize any deductions under the provisions of this act.

Mr. CONNERY. They will have to put other men to work?

Mr. MARTIN of Colorado. Absolutely.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. GOSS. Mr. Chairman, I ask unanimous consent that the gentleman may have 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut [Mr. Goss]?

There was no objection.

Mr. GOSS. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. GOSS. I want to make sure of a point, so that it does not go out to the country in a wrong light. I interpret this law to mean that the railroads can reduce their employees in any amount, regardless of the passage of this law. Is that true?

Mr. MARTIN of Colorado. They can do it.

Mr. GOSS. And they will be able to do it after the passage of this law, except where the coordinator orders it. Will the chairman of the committee answer that?

Mr. RAYBURN. As I understand the gentleman, if we do not pass this bill the railroads can discharge anybody they please?

Mr. GOSS. Yes. So that they can discharge them in either event.

Mr. MARTIN of Colorado. When they start to do that they will have somebody else to argue with other than the coordinator.

Mr. RAYBURN. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. RAYBURN. Does the gentleman understand that this bill specifically provides that no act of the coordinator shall result in discharging anybody from employment? That is exactly what the bill provides. I want to say to the gentleman further that he may be a better representative of labor than the gentlemen who are paid here to represent them, and who in my association with they have shown themselves to be very able men, and they agree to this language.

Mr. MARTIN of Colorado. Yes. I understand that railway labor agreed to this proposition as it reads now, because as was stated yesterday on the floor, this was the best proposition they could get; but, in my judgment, they can get a better proposition, and that is to cut out any ambiguous or doubtful language that is now in this bill.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. HUDDLESTON. Four of the heads of the internationals called to see me the other day and said they wanted this bill passed; that it protected their interests, and that without this bill a reduction of employees would occur. This is for their protection and not against it.

Mr. MARTIN of Colorado. And if I sat down with those four gentlemen this morning and went over this bill with them and pointed out some of these things, perhaps they would agree with me, too.

Mr. HUDDLESTON. May I say further that they were represented by one of the best lawyers in the United States, who drew this particular provision, Mr. Richberg. Does the gentleman think he is more competent to deal with this matter than the man I have named?

Mr. MARTIN of Colorado. No; I would not for a moment pit myself, legally or in any other way, against Mr. Richberg; but if you want to freeze railway labor and keep it where it is, you do not need that proposition in there. When you strike it out, you will have this bill absolutely clear and understandable. It is clearly a concession of some kind. It must be intended to subserve some purpose other than



to relieve the railway companies of the necessity to replace employees who drop out in the natural order.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. MARTIN] has again expired.

Mr. CROSSER. Mr. Chairman, in passing on the amendment offered by the gentleman from Colorado there is one consideration which must not be overlooked. The gentleman from Alabama [Mr. HUDDLESTON] correctly stated that the representatives of all the railway labor organizations of the country approved section 7 of the bill exactly as it appears in the bill. He is correct in saying that Mr. Richberg was really the one who drafted the amendment. Section 7 was very fully discussed with the President of the United States and he approved it. Now, if we wish to make sure of the provisions contained in section 7 of the pending bill and which are so valuable to railway labor, if we wish to make sure that the bill including these provisions so valuable to labor receives the approval of the President, then it is the part of wisdom on the part of the friends of labor to accept the section as it appears in the bill. I think that we would be jeopardizing the interests of labor by disregarding the agreement reached by the President, the representatives of all the railway labor organizations, and others. Section 7 as it now stands and as agreed upon gives labor very broad protection. I want to make sure that the measure will be approved by the Chief Executive.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after listening to the distinguished gentleman from Ohio and the distinguished Chairman of the Committee on Interstate and Foreign Commerce, I dislike to oppose the committee on this amendment, but it seems to me that by passing the amendment offered by the gentleman from Colorado [Mr. MARTIN] we will put men back into the jobs of men who have retired or died. It does not seem to me it will do much harm to the bill or much harm to the railroads to put another man back in a job where a man has died.

Mr. CROSSER. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CROSSER. I think the President felt we were going the very limit if we took the normal decrease in number due to death and resignations, in offering this freezing amendment.

Mr. CONNERY. I really do not see how it is going to do the railroads any harm, and this is putting men to work. Putting men to work is certainly a laudable ambition. When a man dies you should fill his place.

Mr. CROSSER. But that was the feeling of the President, I am sure, that we could not go much farther, safely, at this time.

Mr. CONNERY. I believe you are not going far enough. I am with the gentleman from Colorado [Mr. MARTIN] when he says that the labor representatives of the brotherhoods will naturally take what they can get, but if somebody offers an amendment on this floor that gives them a little more, I do not think they will object to that, and I do not think the amendment which the gentleman has offered will kill the bill with the President.

Mr. MAY. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MAY. Is this bill satisfactory to organized labor?

Mr. CONNERY. I understand it is absolutely satisfactory to organized labor. I talked with the representatives of the brotherhoods, and they said it was satisfactory to them and that the gentleman from Ohio [Mr. CROSSER], and the gentleman from New York [Mr. MEAD] would probably offer amendments which they would favor.

Mr. RAYBURN. I may say to the gentleman that when we pass this bill, railroad labor is in a much better position than it is today.

Mr. CONNERY. Oh, I agree with the gentleman, except that I see a chance with this amendment, offered by the gentleman from Colorado, to do even a little better for labor.

Mr. HUDDLESTON. Is the gentleman not willing to leave it to their representatives?

Mr. CONNERY. The gentleman knows as well as I do, when after Mr. Green of the American Federation of Labor has come before the Labor Committee and said, "I am for this bill", if on the floor of the House somebody offers an amendment which would be greatly beneficial to labor, that Mr. Green would not oppose it.

Mr. RAYBURN. Suppose the amendment were worse for the country?

Mr. CONNERY. No amendment that benefits labor can be bad for the country. It is not bad for the country to put another man to work when a man dies. It is good for the country.

Mr. RAYBURN. What if there is no money to pay it?

Mr. CONNERY. There is not much money involved there.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. O'MALLEY. The adoption of the amendment of the gentleman from Colorado would make possible the employment of 5 percent more men than if it were not adopted?

Mr. CONNERY. Yes; it would. It would put men to work in the place of those who die or retire.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. GOSS. Subsection (b) of section 7 says that the number of employees in the service of a carrier shall not be reduced by reason of the action taken pursuant to the authority of this title of the bill.

I still contend, if I can read the English language, that there is nothing in the operation of this title of the bill that will prevent a railroad from laying off its employees other than those coming under the authority of this title. I should like to get this point straightened out.

Mr. RAYBURN. There is not any question in the world.

Mr. GOSS. Is not that true?

Mr. RAYBURN. Certainly.

Mr. GOSS. So, under this section they are going to be able to lay them off anyway.

Mr. CONNERY. It seems to me, then, after what the chairman has said, that if we have affirmative language in the bill telling the coordinator we do not want these men laid off, that we are doing something at least to help to remedy the present situation.

Mr. WOOD of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. WOOD of Missouri. Of course, railroad labor is for this section?

Mr. CONNERY. Yes.

Mr. WOOD of Missouri. Does not the gentleman think there is some danger of getting a bill so good for labor that it may be defeated?

Mr. CONNERY. No; I do not think so.

Mr. WOOD of Missouri. The gentleman knows we had a good bill in our Labor Committee, but it was so good it did not come out.

Mr. CONNERY. I think the gentleman knows that our 30-hour week bill did not come before this House because we applied it to foreign imports; and if the gentleman will notice in today's paper, the Senate Finance Committee yesterday put in an amendment on the industrial recovery bill which will allow the President to put an embargo on foreign products, thereby showing we were correct in what we put in that bill.

Mr. WOOD of Missouri. The railroad labor organizations are agreeable to this section. This is the reason I do not think we ought to disturb it, because if we disturb it, it might have the effect of defeating the legislation.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WOOD of Missouri. The only suggestion I care to make to the gentleman from Massachusetts is that if we attempt to tamper with these sections which the railway labor organizations are agreeable to, I fear it will have the effect of endangering passage of the whole bill. This is the only objection I have.

Mr. CONNERY. I do not think it will have that effect on the bill. If I did I would not be for it.

I think we can amend it by adopting the amendment of the gentleman from Colorado and still pass the bill.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COX. Much has been said about protecting the interest of users of railway properties and protecting the interest of labor. Can the gentleman inform the Committee who, in the writing of this bill, represented the users of the services that the railroads render?

Mr. CONNERY. The Chairman of the Interstate and Foreign Commerce Committee can advise the gentleman more about that than I, but I figure that if we are going to repeal the recapture clause and make the railroads a present of some \$300,000,000 or \$400,000,000, it would be advisable—

Mr. RAYBURN. If I may interrupt the gentleman, we are not going to make the railroads a present of any such amount.

Mr. CONNERY. What is the effect of it, then?

Mr. RAYBURN. We are simply admitting that we cannot collect an impossible debt.

Mr. CONNERY. That is one way of putting it, but the railroads get the present just the same. Anyway we are taking away \$400,000,000 from the disabled ex-service men of the United States. That is a debt the Government owed that the Government should not repudiate. I do not want to mix that issue up with this, but I do not see any harm to come from this amendment—I see a benefit to labor—and I shall vote for it. [Applause.]

The CHAIRMAN (Mr. WILSON). The question is on the amendment offered by the gentleman from Colorado.

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado and Mr. O'MALLEY) there were—ayes 34, noes 60.

So the amendment was rejected.

Mr. COX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cox: At the end of the section add the following: "Provided, That the provisions of this section shall not apply to independently owned and operated steam or electric railroads, commonly called short lines, which had in 1932 railway operating revenues of less than \$1,000,000."

Mr. COX. Mr. Chairman, this is another amendment offered in the interest of short-line railroads of the country.

We know the short-line railroads are having their difficulties just the same as the large railroads. Under existing conditions it is almost impossible for them to keep going. We know that the short-line railroads serve largely agricultural communities. These communities now are unable to buy the services that the railroads render because of the high rates already in existence.

If you apply to the short-line railroads the provisions of section 7 of this bill, you will put them out of business altogether.

The business of the short-line roads is largely seasonal. It is the hauling of cotton, of grain, of vegetables and fruits, seasonal operations. During the busy seasons these short-line roads employ the people of the vicinity, of the neighborhood, and when the volume of business decreases, in order to keep going, they must let the seasonal labor go.

I submit, Mr. Chairman, that if you put upon these short-line roads all this Labor Committee machinery that is provided for in this bill and lay upon them the restrictions that will be imposed if this amendment is not adopted, it means

that you eliminate them from the transportation business of the country.

Mr. Chairman, this amendment ought to be adopted and every Member of this House, if from agricultural sections and familiar with the conditions of agriculture and with the plight it is in, and has been in since 1923, and who is acquainted with the service the short lines render, the character of business it accommodates, the people who are the most interested in it, ought to vote for this amendment, because otherwise the short-line roads might as well fold their tents and cease striving.

Mr. CROSSER. Mr. Chairman, I rise in opposition to the amendment.

If we adopt the amendment of the gentleman from Georgia, we may just as well strike out the section altogether.

In the first place, the term "short-line railroad" is so indefinite that it may mean almost anything. If you are opposed to class legislation, then you should vote against the amendment of the gentleman from Georgia. The amendment proposes to apply one principle, one rule to one class of railroads and another to a different class. The real effect of the amendment would be to prevent workmen from acting unitedly through freely chosen representatives in negotiating or arranging the terms and conditions of the employment of such workmen. After a long struggle the railway labor organizations secured legislation making it certain that labor may freely choose its own representatives to negotiate with their employers as to the terms and conditions of employment. This amendment would, to a great extent, interfere with the right to exercise that right.

Mr. COLE. Will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Maryland.

Mr. COLE. The gentleman is familiar with the fact, but I call his attention to it so the committee may be advised. Mr. Jones, representing 71 percent of the American short-line railroads of the country, appeared before the committee and approved, in substance, this legislation.

Mr. CROSSER. Absolutely. Mr. Jones, representing 71 percent of what are called "short-line railroads", approved this bill.

Mr. O'MALLEY. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. O'MALLEY. If the principle established in this bill is any good at all, it has to be applied universally in order to work it out.

Mr. CROSSER. It must be applied universally if it is to amount to anything at all.

Mr. O'MALLEY. If we have to make exceptions, the principle in the bill will be worth nothing at all.

Mr. CROSSER. That is quite true. I am very strongly in favor of this section. It makes certain that we shall have free and independent representation for employees as well as for employers to carry on negotiations for the settlement of terms of employment or the settlement of labor disputes.

Mr. COX. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. COX. Is the gentleman familiar with the operations of the short-line railroads of this country?

Mr. CROSSER. To some extent; yes. I am not a railroad man, but I have familiarized myself with them to some extent.

Mr. COX. Does not the gentleman know that if you were to impose these restrictions upon the roads, their operation costs would be so great they could not continue to go on?

Mr. CROSSER. I do not think so, and the best answer I can give is that Mr. Jones, the representative of the short lines, endorses the bill, and he ought to know what he is talking about.

Mr. MILLIGAN. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. MILLIGAN. Are not the short-line railroads today carrying this burden?

Mr. CROSSER. Yes.

Mr. COX. Oh, the gentleman must surely know that the short-line railroads have not entered into martial relationship with labor as the larger railroads have done, and as is being



sanctioned in the main by the provisions of the pending bill.

Mr. CROSSER. This bill does not change the situation to any extent, and let me call attention to the fact that if any railroad is to receive a benefit from the repeal of the recapture clause as provided in the second title of the bill, it is the short lines. I do not feel, therefore, that the short lines have much to complain about. We must maintain the principle in general or it will be more or less meaningless. If we believe in the principle of negotiating collectively, let us vote against the amendment of the gentleman from Georgia. Let us make it absolutely certain that men may group themselves together and freely choose representatives for the purpose of negotiating decent terms and conditions of employment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. TAYLOR of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of South Carolina: Page 37, line 22, strike out subsection (d) in its entirety.

Mr. TAYLOR of South Carolina. Mr. Chairman, I should like to amend the amendment by striking out all after the word "for" on page 37, line 24, and also the first word on page 38, or that part of the provision applying to property losses. With all deference to the committee and their splendid work, I cannot see why the country should bear this loss.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Modified amendment offered by Mr. TAYLOR of South Carolina: Page 37, line 24, after the word "for", strike out the words "property losses and."

Mr. TAYLOR of South Carolina. Mr. Chairman, if I understand this provision, it undertakes to compensate parties having to move, by operation of this law, from one locality to another.

I can readily see why the Government or the railroads proper should bear the cost of a man and his family, for instance, but I cannot understand any equity that would require the railroads to underwrite the losses of a man in the selling or the disposition of his property incident to his moving.

I simply offer this as a matter of equity, and I hope the committee will accept the amendment.

Mr. CROSSER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from South Carolina [Mr. TAYLOR].

It is assumed by the gentleman in his argument that there is no basis in reason for compensating persons for loss of property resulting from the removal of railway shops and offices from places where they have heretofore existed. This assumption is entirely erroneous. It would be agreed, of course, that if a person's property were taken by public authority for public purposes compensation must be made. If, for example, a man's residence were to be located on a street which makes possible easy access from a street to the man's house, and if public authority for any reason were to cut the street in front of the house of the person in question 10 or 15 feet below the original level, the owners of the house would be entitled to compensation, of course.

Mr. TAYLOR of South Carolina. I would say that he would be entitled to compensation.

Mr. CROSSER. Everyone is guaranteed that his property cannot be taken for public purposes without just compensation. The owner of the house which we have taken for illustration had adjusted himself to the existing order of things, and justice requires that he be protected against the invasion of rights which he may have acquired by reason of his adjustment to the prevailing order.

Practically every reason that can be advanced to justify compensating a person whose property may have been taken

by condemnation proceedings applies with equal force in favor of compensating persons the value of whose property has been destroyed by the removal of railway shops and offices from places where they had been located and where persons establishing residences had reasonable ground to believe the shops and offices in question would continue. The property rights destroyed in these cases are as valuable and often more so than is property the value of which has been destroyed by the change of a street or highway as suggested.

In a case like the one at Palestine, Tex., where the municipality issued bonds in the sum of \$300,000 to procure money to pay as a bonus to the railroad for establishing shops and offices, everyone agrees that the property rights which would be destroyed by the removal of railway shops and offices should be paid for. The only difference between that particular case and the more common case where railway shops have been established without specific contract with the municipality is that in the former case the obligation of the railroad was expressed in a formal way, whereas in the ordinary case it is fair to argue that there was an implied obligation on the part of the railroad to continue its shops or to compensate those whose property may have been destroyed by the removal of the same. My contention is that the people who have established their homes in a place where railway shops have been located have adjusted themselves to the social order there existing, and that it would be unfair and unjust to destroy property rights which have been acquired depending on that order. We hear much from time to time about the sacred rights of property, but it seems to me that there can be no more sacred type of property than that which a person may have acquired as a result of weaving his life into the life of the community which has been established because of the existence and assumed continuance of business arising from the presence of railway shops and offices. We must remember, too, that a railway company has the right to condemn property on the theory that it is for the public benefit. It is fair to contend, therefore, that if they are to be allowed to destroy property values on the theory that it is for the public good, they must pay the damage caused by destroying those values.

Some people seem to think that the only thing that constitutes property is so much dirt or other material which can be seen and touched. In truth, the most valuable property is of an intangible nature. I say that people who have been induced by a railroad company to settle in a community and who have spent most of their lives there have acquired property rights, and if they should be destroyed they ought to be compensated for them.

I want to call the gentleman's attention to the President's statement during the last campaign—I think in Salt Lake, when he was discussing this subject. He spoke of the different factors involved in a railway system. He said that one factor is the physical property of the railroads, the owners of the securities constitute another, and the third is the human element required to operate the railroads, which is just as important—yes, much more important than the others.

Mr. TAYLOR of South Carolina. I should like to say to the gentleman that I do not appear here to help any class of wealth or anything, but I am here as a special representative of labor—the human element. I am interested in the people of my section. Down there they were not given any consideration when the depression came. They were put out of their work and lost their homes by judgment of the court.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LOZIER. Mr. Chairman, I ask unanimous consent that his time be extended for 1 additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LOZIER. Is it not true that this bill marks a revolution in transportation, and that it disturbs a social order

or social system that has been established upon the theory that these railroads were separate entities?

Mr. CROSSER. Exactly.

Mr. LOZIER. And would never be consolidated or coordinated.

Mr. CROSSER. That is the point that I was trying to make clear.

Mr. LOZIER. And is it not true that when you adopt a revolutionary system, in the period of transition it is the function and duty of the State to conserve the rights which have been established as a result of the old social order?

Mr. CROSSER. That is what I was trying to make clear.

The CHAIRMAN (Mr. WILSON). The question is on the amendment offered by the gentleman from South Carolina. The amendment was rejected.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 1 minute out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McKEOWN. I do this in order to call the attention of gentlemen in the House to the fact that the bill H.R. 5834, the amendment to the Bankruptcy Act, is available, with the report. The bill will probably be called up on Monday under suspension of the rules.

The Clerk read as follows:

SEC. 9. Any interested party, including, among others, any carrier, shipper, or employee, or any group of carriers, shippers, or employees, or any State commission, or the Governor of any State, or the official representative or representatives of any political subdivision thereof, dissatisfied with any order of the coordinator may, at any time prior to the effective date of the order, file a petition with the Commission asking that such order be reviewed and suspended pending such review, and stating fully the reasons therefor. Such petitions shall be governed by such general rules as the Commission may establish. If the Commission, upon considering such petition and any answer or answers thereto, finds reason to believe that the order may be unjust to the petitioner or inconsistent with the public interest, the Commission is hereby authorized to grant such review and, in its discretion, the Commission may suspend the order if it finds immediate enforcement thereof would result in irreparable damage to the petitioner or work grave injury to the public interest, but if the Commission suspends an order, it shall expedite the hearing and decision on that order as much as possible. Thereupon the Commission shall, after due notice and a public hearing, review the order and take such action in accord with the purposes of this title as it finds to be just and consistent with the public interest, either confirming the order or setting it aside or reissuing it in modified form, and any order so confirmed or reissued shall thereafter remain in effect until vacated or modified by the Commission.

Mr. EDMONDS. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 39, line 3, after the words "State commission", insert "or commercial organization."

Mr. GOSS. Mr. Chairman, I make the point of order that it is not germane to this section of the bill.

Mr. EDMONDS. Mr. Chairman, this amendment merely allows commercial organizations that have traffic committees to attend these hearings as they do at present before the Interstate Commerce Commission. I can see no reason why it is not germane to the bill.

Mr. MILLIGAN. This provides that any interested parties can attend these hearings. A commercial organization would be an interested party.

Mr. EDMONDS. Commercial organizations having these associations in this way would be able to represent one or two hundred people before the Commission instead of having 40 or 50 of them go to the expense of coming down here.

Mr. MILLIGAN. The organization itself in that case would be an interested party.

Mr. EDMONDS. Mr. Chairman, I do not want to say anything further on the subject. I hope the committee will accept the amendment, because it makes plain what I said this morning, and is included in a letter from the Philadelphia Chamber of Commerce, which does not understand it the way the gentleman from Missouri states.

Mr. HUDDLESTON. Mr. Chairman, I have no authority to accept the amendment. I really do not think it is necessary. I think it is already included, but I have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend the remarks I made this morning.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 13. It shall further be the duty of the coordinator, and he is hereby authorized and directed, forthwith to investigate and consider means, not provided for in this title, of improving transportation conditions throughout the country, including the ability, financial or otherwise, of the carriers to improve their properties and furnish service and charge rates which will promote the commerce and industry of the country and including, also, the stability of railroad labor employment and other improvement of railroad labor conditions; and from time to time he shall submit to the Commission such recommendations calling for further legislation to these ends as he may deem necessary or desirable in the public interest. The Commission shall promptly transmit such recommendations, together with its comments thereon, to the President and to the Congress.

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 42, line 17, after the word "conditions", strike out the semicolon and add the words "and relations."

Mr. MEAD. Mr. Chairman, I have neither offered nor supported any amendments which might be termed "alien" to this legislation. This amendment which I seek to have adopted now was considered by the House committee. It was approved by the Senate committee and made a part of the Senate bill. In the minds of some it may not be necessary; in the minds of others it might not seem important. At any rate, its adoption should not disturb any of the Members who are interested in the bill. In my judgment the word "relations" contemplates more and is broader in its scope than the word "conditions." This contemplates the human element in the industry. President Roosevelt in his Utah speech, made during the recent campaign, explained the three important elements that go to make up this great industry. He explained that the cars, the tracks, and the locomotives, and so forth, made up the physical elements; the bondholders and stockholders made up the financial element; but that by far the most important element was the human element, which comprised both the employees and the management of the roads.

My amendment deals with this all-important element. Permit me to say, Mr. Chairman, that this legislation creating a coordinator will prove to be a study and an investigation of the entire transportation industry. Much good will result from the work that will be accomplished. The problem will be nearer solution when this legislation comes to its end. The value of this legislation to the future of this country will be improved by the addition of the amendment which I have sent to the desk.

When we enacted the industrial-control legislation, we approved a new concept in the social order. Prior to that the Government held it was its duty to safeguard property rights and to afford protection to the people. We now recognize another duty of government. That duty is to see that every worker has a job, that he not only enjoys the right to live but the right to employment as well.

This all-important human element in the transportation industry should be given every proper consideration in this measure. Their mighty contribution would, in my judgment, aid in the solution of the vexing problems confronting this industry. The adoption of the word "relations", adding it to the word "conditions", will permit of this closer relationship between management and employee. It will develop a dual responsibility and make for a higher efficiency in the operation of our transportation lines. It considers



the community of interest between all the forces concerned in this great enterprise.

While I have been supporting the committee and have opposed the adoption of amendments not heretofore considered, I think the adoption of this proposal, approved as it was by the Senate committee, will strengthen the bill. Its application by the coordinator will result in much improvement in the efficiency and management of our railroads. Let the employees participate in the counsels of the roads and they will vindicate the confidence we have in them.

I hope the committee will accept the amendment.

Mr. RAYBURN. Mr. Chairman, the committee, after some consideration, realizing that this amendment would be in conference if we struck it from the Senate bill, felt that the word "relations" was such a broad word, indefinite in a way, that it might cover a great many things. We thought it ought to go over for further consideration and conference with the Senate committee. If a reasonable suggestion can be made as to why it is necessary, I am sure the House committee would accept it. However, the committee feels at this time, as I have just stated, that it is such a broad word and that we do not know just exactly what it means, or what was in the minds of the Senate committee and the Senate when it was passed, that it should be left for further consideration. The committee would like very much to see this amendment not put in the bill today, so that we may have the benefit of conversation with the Senate committee on it; and if it appears to be necessary, if it appears to be the just and right thing to do, I think the House committee would agree to it, but we do not know what it means, frankly, and I do not think anybody else can very well determine what it means.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. CLARKE of New York. Why is not the word "conditions" inclusive of the word "relations"? They are complementary in language.

Mr. RAYBURN. That is the view which the House committee took.

The CHAIRMAN (Mr. HILL of Alabama). The question is on the amendment offered by the gentleman from New York [Mr. MEAD].

The question was taken; and on a division (demanded by Mr. MEAD) there were ayes 42 and noes 49.

Mr. O'MALLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. RAYBURN and Mr. MEAD to act as tellers.

The Committee again divided; and the tellers reported there were ayes 66 and noes 39.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 17. This title shall cease to have effect at the end of 1 year after the effective date, unless extended by a proclamation of the President for 1 year or any part thereof, but orders of the coordinator or of the Commission made thereunder shall continue in effect until vacated by the Commission or set aside by other lawful authority, but notwithstanding the provisions of section 10, no such order shall operate to relieve any carrier from the effect of any State law or of any order of a State commission enacted or made after this title ceases to have effect.

Mr. EDMONDS. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: On page 44, line 17, after the word "by" in line 17, strike out "a proclamation of the President for 1 year or any part thereof" and insert in lieu thereof "Congress."

Mr. EDMONDS. Mr. Chairman, we have been passing quite a large number of bills in the House, in which the President is given authority to extend the operation of certain laws by proclamation. There is, of course, in these bills always an opportunity to say that Congress will not be in session and therefore the President should have that power. With regard to this bill we cannot say 1 year from now that Congress will not be in session or that Congress cannot investigate as to whether it is advisable to continue this act.

Therefore I think we should reserve to ourselves the right to consider what has happened up to that time and have it reported back to Congress for us to act upon.

I do not understand that the gentlemen here wish to give away all their rights to the President. Certainly here is an opportunity by which we can ourselves decide whether this legislation has been successful or whether it is necessary to continue it for a longer time.

Mr. PARKER of New York. Mr. Chairman, I rise in opposition to the amendment. This is an administrative bill. It is not a legislative bill. We are conferring authority on the President to do certain things. If it is going to be thrown back into Congress, it means we must pass an entirely new act. If the act is good from a legislative standpoint, the President should have the power to continue it for another year.

Mr. EDMONDS. Will the gentleman yield?

Mr. PARKER of New York. I yield.

Mr. EDMONDS. We do not have to pass a new act at all. We simply pass an act continuing this act.

Mr. PARKER of New York. That is better still, then.

Mr. EDMONDS. But there may be some changes a year from now that we would be glad to make in this act when we find out how it is working.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. EDMONDS]. The amendment was rejected.

The Clerk read down to and including line 17 on page 52.

Mr. RAYBURN. Mr. Chairman, I offer a committee amendment. At the beginning of line 6, on page 50, insert a quotation mark.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 206. (a) All moneys which were recoverable by and payable to the Interstate Commerce Commission under paragraph (6) of section 15a of the Interstate Commerce Act, as in force prior to the enactment of this title, shall cease to be so recoverable and payable; and all proceedings pending for the recovery of any such moneys shall be terminated. The general railroad contingent fund established under such section shall be liquidated and the Secretary of the Treasury shall distribute the moneys in such fund among the carriers which have made payments under such section, so that each such carrier shall receive an amount bearing the same ratio to the total amount in such fund that the total of amounts paid under such section by such carrier bears to the total of amounts paid under such section by all carriers; except that if the total amount in such fund exceeds the total of amounts paid under such section by all carriers such excess shall be distributed among such carriers upon the basis of the average rate of earnings (as determined by the Secretary of the Treasury) on the investment of the moneys in such fund and differences in dates of payments by such carriers.

(b) The income, war-profits, and excess-profits tax liabilities for any taxable period ending after February 28, 1920, of the carriers and corporations whose income, war-profits, or excess-profits tax liabilities were affected by section 15a of the Interstate Commerce Act, as in force prior to the enactment of this act, shall be computed as if such section had never been enacted, except that, in the case of carriers or corporations which have made payments under paragraph (6) of such section, an amount equal to such payments shall be excluded from gross income for the taxable periods with respect to which they were made. All distributions made to carriers in accordance with subdivision (a) of this section shall be included in the gross income of the carriers for the taxable period in which this act is enacted. The provisions of this subdivision shall not be held to affect (1) the statutes of limitations with respect to the assessment, collection, refund, or credit of income, war-profits, or excess-profits taxes or (2) the liabilities for such taxes of any carriers or corporations if such liabilities were determined prior to the enactment of this act in accordance with section 1106 (b) of the Revenue Act of 1926 or section 606 of the Revenue Act of 1928, or in accordance with a final judgment of a court, an order of the Board of Tax Appeals which had become final, or an offer in compromise duly accepted in accordance with law.

Mr. BROWN of Kentucky. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Brown of Kentucky: On page 54, line 24, after the word "carriers", insert "except that any railroad owing money due to or to become due to the Reconstruction Finance Corporation or any other agency of the United States Government shall pay in full said indebtedness before being entitled to the distribution of the aforesaid fund."

Mr. BROWN of Kentucky. Mr. Chairman, section 206 is the section under which you are proposing to pay back to the railroad some \$15,000,000 that has been collected under the so-called "recapture clause."

As has been stated by the chairman of the committee, it is a practical impossibility to collect all the money due by the railroads under this section of existing law, but we now have in our hands approximately \$15,000,000, I understand. Some of these railroads owe to the Reconstruction Finance Corporation in excess of \$300,000,000. We have \$15,000,000 in our hands, yet under this section we propose to pay to them that \$15,000,000 before they settle their indebtedness to the Reconstruction Finance Corporation.

My amendment provides that any railroad that owes the Reconstruction Finance Corporation or any other agency of the United States Government money due or to become due shall not share in this distribution until such railroad has paid its indebtedness.

Mr. PARKS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. PARKS. I fully agree with the gentleman's statement, but that is the law now.

Mr. BROWN of Kentucky. Will the gentleman show me some section which says that is the law?

Mr. RAYBURN. It comes under the scope of the general law. The general law covers that, as the Government sets off funds in the Government's hands belonging to any railroad which is in default on its debt.

Mr. BROWN of Kentucky. Of course, I shall be glad to admit that I do not know all the statutes that have been passed by the United States Government or by the States, and if I did know them all, they might repeal all the laws I ever knew, but I wish the gentleman would tell me under what law this set-off is authorized to be made on loans that are not yet due.

Mr. RAYBURN. I cannot remember the citation at the present time.

Mr. BROWN of Kentucky. I believe when it is investigated it will be found there will be no set-off on loans that are not yet due.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. DOBBINS. Is it not also true that this recapture fund is held by one agency of the Government while these loans were made by another agency of the Government?

Mr. BROWN of Kentucky. Unquestionably it is true.

Mr. MILLIGAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. MILLIGAN. I think the gentleman will find that the recapture fund is held by the Treasurer of the United States.

Mr. BROWN of Kentucky. I grant that. All that is true, but under this law the Treasurer of the United States will be authorized to pay this \$15,000,000 and pay it out to these railroads who now owe the Reconstruction Finance Corporation millions of dollars in excess of this amount. This simply safeguards the taxpayers.

Mr. PARKER of New York. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. PARKER of New York. Does the gentleman realize this money does not belong to the Federal Government, but belongs to the railroads themselves? It was put up to create a revolving fund. It cannot be appropriated by the Federal Government inasmuch as the Federal Government did not appropriate the money originally.

Mr. BROWN of Kentucky. Granting that all that is true, this \$350,000,000 the Reconstruction Finance Corporation loaned them last year did belong to the United States Government, and we are holding \$15,000,000 of their money that we can now set off against that \$357,000,000. However, if you want to give them this money, then give it. The \$357,000,000 was taxpayers' money.

Mr. PARKER of New York. That is not the point; this is not taxpayers' money at all.

Mr. BROWN of Kentucky. The \$357,000,000 we loaned them last year was taxpayers' money.

Mr. PARKER of New York. That is true.

Mr. BROWN of Kentucky. This is their money in our hands that we can set off against this loan if we choose to do it.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. COLE. Is it the gentleman's idea that because a few of the railroads of the country were good enough, we might say, to comply with this law and pay in \$15,000,000, approximately, they should be punished now and not have their money, while other roads that did not pay in anything are in no way affected?

Mr. BROWN of Kentucky. Are we exacting from them one penny other than what they owe? Is it punishment to have a man pay his honest debts? If it is, then we will be punishing them.

Mr. COLE. Let them pay it hereafter.

Mr. BROWN of Kentucky. It has been the rule until now that the Government gets its share hereafter. For once in history I would like the Government to get now a part of the money owing to it.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. McFARLANE. It has been stated that in the matter of this set-off the general law will apply. If that be true let us adopt this amendment and then we will know what will be done.

Mr. BROWN of Kentucky. Certainly it cannot hurt anything.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. COOPER of Ohio. The gentleman knows the Government could not use this money as a set-off against money the railroads have borrowed from the Federal Government.

Mr. BROWN of Kentucky. If the Congress of the United States says it shall be used as a set-off as proposed in my amendment, it can certainly do it. If you pass this bill without this amendment we cannot do it. That is the purpose of the amendment.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. TRUAX. It has been stated that the Government could use this as an off-set against money the railroads owe the Government.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, as I stated yesterday in my remarks, the Interstate Commerce Commission in three reports have advocated the repeal of section 15a, the recapture clause, from the beginning.

We had long and exhaustive hearings on this matter. There was not a witness who appeared there who in any way opposed the repeal of the recapture clause in its entirety.

As I stated, the Interstate Commerce Commission three times has said it is unworkable. Mr. Chairman, the railroads advocated its repeal.

The shipper organizations unanimously recommended its repeal, and the short-line railroads especially are vitally interested in the repeal of this provision, and they are located in every section of the country.

Labor organizations appeared before the committee, both the brotherhoods and the representatives of the American Federation of Labor, and asked for the repeal of 15 (a) ab initio.

Now, I say that these little railroads are vitally interested in this \$10,000,000 that has been paid in. Why? Only one so-called rich railroad paid any appreciable amount into this fund. More than \$4,000,000 of this amount, with the accumulated interest, belongs to the poorer railroads. As I called to the attention of the House yesterday, one railroad, in the



district of the gentleman from North Carolina [Mr. KERR], a little railroad down there that is owned by the town. Of course, it has not been during the last 7 or 8 years, but during their fat times they took money from their funds and paid it into this particular fund, and the railroad and the little town are desperately in need of money now. This is true with reference to every one of these poor, little starving short-line railroads, that are feeders to the great railroads and that serve little communities. They are as vital to the economic life of the little communities as the Pennsylvania Railroad is to the great coal fields and iron mines of the State of Pennsylvania, and when you pass this amendment you are penalizing the class of railroads in the United States that need this money above every other class of railroads in the land, and you are not applying it as far as the \$357,000,000 is concerned, that has never been paid in.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. BROWN of Kentucky. The gentleman contended just a moment ago that the law already provided for just what my amendment does.

Mr. RAYBURN. I said they "could."

Mr. BROWN of Kentucky. If these railroads are bankrupt and owe the Government or the Reconstruction Finance Corporation some money—

Mr. RAYBURN. I do not think there are many of them that have been able to qualify to get a loan.

Mr. BROWN of Kentucky. But if they are bankrupt and they do owe the Government some money, does not the gentleman think that this amount of money we now have in our hands ought to be set over against the amount they owe?

Mr. RAYBURN. I say we ought to treat all the railroads alike. Those that owe the \$361,000,000 and have not paid I think should be treated exactly like the little roads that did not think they were strong enough to resist the Government and therefore paid money into this fund.

Mr. PARKER of New York. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. PARKER of New York. I want to call the gentleman's attention to the fact that the railroads that have borrowed the large sums of money from the Federal Government through the Reconstruction Finance Corporation are not the roads that have paid in one dollar of recapture funds.

Mr. RAYBURN. That is true.

Mr. TERRELL. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. TERRELL. If these little, poor, weak railroads have not borrowed any money from the Government, they will not be hurt, and if they have borrowed some money, why should they not pay it before we give this money back to them?

Mr. RAYBURN. Why should we not ask the big railroads to pay this \$361,000,000?

Mr. TERRELL. We have not that money in our possession. Let us get what we can.

Mr. RAYBURN. I disagree with the gentleman.

Mr. BOYLEAU. Will the gentleman yield?

Mr. RAYBURN. Yes.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may have 1 additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BOILEAU. Is it not a fact that the practical operation of this amendment would be to have the \$15,000,000 applied to the indebtedness of the railroads—

Mr. RAYBURN. It is not \$15,000,000 but \$13,000,000. Ten million dollars has been captured and it has earned \$3,000,000 in interest; and a further answer is that if these railroads were able to borrow money from the Reconstruction Finance Corporation the Government holds their securities and the money is not due.

Mr. BOILEAU. But the small railroad companies will be treated just as well as the larger railroad companies, because this amount would be applied on their debt and would reduce their indebtedness that much.

Mr. RAYBURN. It would do that; but the debt is not yet due, and they need this money between now and the time when the debt becomes due; and let me state again that the Reconstruction Finance Corporation, under the law, is not supposed to lend money to a railroad that does not have adequate collateral.

Mr. BOILEAU. At the time they secured the loans from the Reconstruction Finance Corporation they did not anticipate getting this money, so they could not be in any way prejudiced.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. BROWN].

The question was taken; and on a division (demanded by Mr. McFARLANE) there were—ayes 27, noes 76.

So the amendment was rejected.

Mr. SABATH. Mr. Chairman, I move to strike out section 206.

The Clerk read as follows:

Mr. SABATH moves to strike out section 206.

Mr. SABATH. Mr. Chairman, when in 1920 the so-called "Esch-Cummins bill" was before the House this provision, which aided and made possible the great increase in the railroad rates, was inserted to make possible the passage of that bill. We were then assured that the weaker railroads would be the beneficiaries—that it would aid the smaller railroads which could not operate profitably.

The act was passed, and the railroads started immediately to increase the rates with the sanction and approval of the Interstate Commerce Commission. For years they collected these increased rates that were permissible under that act. They have collected millions upon millions from the people of the United States, and the great majority of people thought it was only fair, feeling that they were aiding in that way the smaller and poorer roads.

A few of the small roads did pay in under the recapture clause about \$10,000,000, but all of the big roads, on one pretext or another, refused to pay. Today they owe the Government, I think, nearly \$300,000,000; and that notwithstanding all the money they have collected as the result of the increased rates during these years. Now, I think it is manifestly unfair, on the one hand, to enact legislation permitting the railroads to levy higher rates, and on the other hand, after 10 years and after the railroads have collected millions of dollars, to say that that legislation was unwise and allow them to retain all the excess profits they have collected, amounting, as I have said, to millions and millions of dollars.

How anyone will be able to justify voting for the repeal of the recapture clause is something I do not know. I think that the title of this measure ought to read: "A donation of \$361,000,000 to the poor railroads controlled by the poor J. P. Morgan & Co." It is indeed remarkable how these financial magnets, who control the railroads, and who in this bill have the right and the power to merge and consolidate, can create sentiment in the Nation and in the House for legislation that they desire.

This provision made it possible for them ever since 1920 to obtain not only high freight rates but high passenger rates as well. If an honest compilation could be had as to what these increased rates amounted to during the last 12 years, I venture to say it would run into billions of dollars—I say billions, not millions. Yet, notwithstanding that fact, it is claimed that the railroads are "broke." I fully realize the condition of the railroads at present. If they were not in deplorable shape they would not have received \$350,000,000 from the Reconstruction Finance Corporation. If they are "broke"—and no doubt many of them are—it is not because the rates are low but because the railroads have been grossly mismanaged and mulcted by the railroad manipulators, who not only have drawn millions of dollars in sal-

aries, as I am reliably informed, but have made millions of dollars on the purchase of rolling stock and other contracts.

But I realize that no matter what proof I submit today this amendment will carry and that once more these destroyers will be the beneficiaries.

I sympathize with the little roads that are not owned by the big railroads. But I rather think that before long we shall hear that these little roads are owned by the rich railroads—railroads whose officials have been fleecing the people and the Government for many years, and who have been paying their officers salaries of \$150,000 a year, although these worthies have squandered, through the manipulation of stocks and through various privileges and contracts they have entered into, millions of dollars of the railroads' money.

I feel that this section should be eliminated; then let us see what will happen later on. I believe that we should put an end to this kind of legislation and to such practices whereby the railroads are losing money, as they claim they are, and yet paying their presidents \$120,000 to \$150,000 a year as salaries.

Mr. RAYBURN. Mr. Chairman, the same arguments that applied to the amendment offered by the gentleman from Kentucky [Mr. BROWN] apply here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. SABATH].

The question was taken; and on a division (demanded by Mr. SABATH) there were 33 ayes and 80 noes.

So the amendment was rejected.

The Clerk read as follows:

SEC. 208. Paragraphs (f) and (g) of such section 19a, as amended (U.S.C., title 49, sec. 19a (f), (g)), are amended to read as follows:

"(f) Upon completion of the original valuations herein provided for, the Commission shall thereafter keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of all common carriers as to which original valuations have been made, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of railroad properties, in order that it may have available at all times the information deemed by it to be necessary to enable it to revise and correct its previous inventories, classifications, and values of the properties; and, when deemed necessary, may revise, correct, and supplement any of its inventories and valuations.

"(g) To enable the Commission to carry out the provisions of the preceding paragraph, every common carrier subject to the provisions of this act shall make such reports and furnish such information as the Commission may require."

Mr. GOSS. Mr. Chairman, I move to strike out the last word. Does the gentleman from Texas think that this paragraph can be carried out in view of the curtailment in the appropriation for the revaluation work of the Commission?

Mr. RAYBURN. We are curtailing the valuation work of the Commission by this bill. The act provides that the Interstate Commerce Commission after it completes its valuation shall keep the valuation up to date. That is impossible. They started out 4 years ago to bring the accounts up to current. They have not got them up yet.

Mr. GOSS. And yet we reduced the appropriation?

Mr. RAYBURN. We provide in this that they shall not apply, but that the Commission shall from time to time look after additions and betterments, and things like that that may be added, but that they shall not be forced to keep this current.

Mr. GOSS. So that in reality with a reduced appropriation the work will not be of much value.

Mr. RAYBURN. I am afraid not.

The Clerk concluded the reading of the bill.

The CHAIRMAN. The question is on the committee substitute.

The substitute was agreed to.

The CHAIRMAN. Under the rule the Committee will rise. Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HILL of Alabama, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 1580, and pursuant to House Resolution 169 he

reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Chair announced the vote.

Mr. COLLINS. Mr. Speaker, I object to the vote upon the ground that there is no quorum present.

Mr. RAYBURN. Mr. Speaker, I make the point of order that the gentleman's point of order comes too late.

Mr. COLLINS. I was on my feet seeking recognition.

The SPEAKER. The point of order is overruled. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-five Members present; not a quorum.

#### ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 50 minutes p.m.) the House adjourned until Monday, June 5, 1933, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

85. Under clause 2 of rule XXIV, a letter from the Comptroller General, transmitting report and recommendation to Congress concerning the claim of the Western Union Telegraph Co. against the United States Government, was taken from the Speaker's table and referred to the Committee on Claims.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on the District of Columbia. H.R. 4324. A bill to authorize the merger of The Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes; with amendment (Rept. No. 196). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOWARD (by departmental request): A bill (H.R. 5903) to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes; to the Committee on Indian Affairs.

By Mr. DOUGHTON: A bill (H.R. 5904) to validate collections of internal-revenue taxes stayed by requests or claims for credit, and for other purposes; to the Committee on Ways and Means.

By Mr. BURNHAM: A bill (H.R. 5905) to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933; to the Committee on the Public Lands.

By Mr. ELTSE of California: A bill (H.R. 5906) to amend title 1 of an act entitled "An act to maintain the credit of the United States Government", as amended; to the Committee on Expenditures in the Executive Departments.

By Mr. KNUTSON: A bill (H.R. 5907) authorizing Joseph Mirau, his successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River, at or near Lake Winnibigoshish; to the Committee on Interstate and Foreign Commerce.



By Mr. GRAY: A bill (H.R. 5908) to repeal an act entitled "An act to maintain the credit of the United States Government"; to the Committee on Expenditures in the Executive Departments.

By Mr. MITCHELL: A bill (H.R. 5909) to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district; to the Committee on the Judiciary.

By Mr. WILSON: A bill (H.R. 5910) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; to the Committee on Flood Control.

By Mr. HOWARD (by departmental request): A bill (H.R. 5911) to authorize the Secretary of the Interior to cancel restricted fee patents and issue trust patents in lieu thereof; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H.R. 5912) for the benefit of Navajo Indians in New Mexico; to the Committee on Indian Affairs.

By Mr. HARLAN: A bill (H.R. 5913) to amend the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

By Mr. SUMNERS of Texas: Resolution (H.Res. 172) authorizing the payment of expenses for conducting the investigation authorized by House Resolution 163; to the Committee on Accounts.

By Mr. ROBERTSON: Resolution (H.Res. 173) to create a committee on wild life; to the Committee on Rules.

By Mr. KOPPLEMANN: Resolution (H.Res. 174) to investigate the expediency of a gross-income tax as a substitute for the net-income tax, and for other purposes; to the Committee on Rules.

By Mr. MITCHELL: Joint resolution (H.J.Res. 194) to provide for the designation of a highway from Sault Ste. Marie, Mich., to Fort Myers, Fla., as a memorial to the late President and Chief Justice William Howard Taft; to the Committee on Roads.

By Mr. KNIFFIN: Joint resolution (H.J.Res. 195) to provide for the designation of a highway from Sault Ste. Marie, Mich., to Fort Myers, Fla., as a memorial to the late President and Chief Justice William Howard Taft; to the Committee on Roads.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of California: A bill (H.R. 5914) for the relief of Paul Alawishes Traynor; to the Committee on Naval Affairs.

Also, a bill (H.R. 5915) granting a pension to Laura B. Perley; to the Committee on Invalid Pensions.

By Mr. DOUGHTON: A bill (H.R. 5916) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; to the Committee on World War Veterans' Legislation.

By Mr. GILLETTE: A bill (H.R. 5917) for the relief of E. E. Heldridge; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H.R. 5918) for the relief of John S. Carroll; to the Committee on Naval Affairs.

By Mr. LUDLOW: A bill (H.R. 5919) granting an increase of pension to Susan M. Griffin; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H.R. 5920) granting a pension to Matilda E. A. Hornback; to the Committee on Invalid Pensions.

Also, a bill (H.R. 5921) for the relief of the heirs of Hugh L. P. Chiene; to the Committee on Claims.

By Mr. WEST of Ohio: A bill (H.R. 5922) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Mary Squires; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1273. By Mr. ANDREWS of New York: Petition of Erie County (N.Y.) American Legion, giving the President power of universal draft in time of war; to the Committee on Foreign Affairs.

1274. By Mr. DeROUEN: Petition of F. J. West and others, citizens of Jennings, La., urgently requesting the passage of Senate bill 1142, by Mr. SHEPPARD, at this session of Congress; to the Committee on Agriculture.

1275. By Mr. JOHNSON of Minnesota: Petition of certain citizens of Zumbrota, Minn., urging the passage of House bill 4940; to the Committee on the Post Office and Post Roads.

1276. By Mr. RUDD: Petition of Chamber of Commerce of the State of New York, favoring the passage of the bankruptcy bill, H.R. 5009; to the Committee on the Judiciary.

1277. Also, petition of the Chamber of Commerce of the State of New York, favoring a sales tax as a revenue for national industrial recovery; to the Committee on Ways and Means.

1278. Also, petition of the Chamber of Commerce of the State of New York, favoring the retention of the gold standard; to the Committee on Banking and Currency.

1279. Also, petition of the Chamber of Commerce of the State of New York, with reference to the high cost of Government construction; to the Committee on Ways and Means.

1280. By Mr. TRAEGER: Petition of the Board of Supervisors of the county of Los Angeles, State of California, dated April 12, 1933, to amend the Reconstruction Finance Corporation Act so that work-relief projects may be provided for worthy unemployed residents who own homes or farms or equities therein; to the Committee on Labor.

1281. Also, petition of the Council of the City of Los Angeles, State of California, dated May 23, 1933, urging that every local agency now administering relief money, contributed in whole or in part, by any agency of the Federal Government, shall deal with the stricken individual through an application for rehabilitation, and that this application shall permit of a specific request for a 20-year Federal loan at low interest rate to be used for the actual construction of a home; to the Committee on Banking and Currency.

1282. Also, petition of the Assembly and the Senate of the State of California, dated January 26, 1933, relative to memorializing Congress and the legislatures of the several States of the Union to cooperate in the program for a belated recognition of the people of the United States of the services rendered the Nation by volunteers who fought the War with Spain, the Philippine insurrection, and the China relief expedition; to the Committee on Pensions.

## SENATE

MONDAY, JUNE 5, 1933

(Legislative day of Monday, May 29, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

#### THE JOURNAL

On motion by Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of June 2 and 3 was dispensed with, and the Journal was approved.

#### CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Caraway	Long	Sheppard
Austin	Clark	McCarran	Thomas, Okla.
Bachman	Duffy	McNary	Thompson
Barbour	Erickson	Murphy	Townsend
Black	Frazier	Overton	Trammell
Borah	Hebert	Patterson	Vandenberg
Bratton	Johnson	Pope	Van Nuys
Bulkley	Kendrick	Robinson, Ark.	White